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## NEWS SUMMARY

GENERAL

**Wilson firm on energy dialogue**

Harold Wilson's understood to have repeated the British firm on a separate seat at the consumer-producer dialogue letter to Chancellor Schmidt West Germany, but is thought to have been conciliatory in areas.

The U.K. position remains as a future major oil player. Britain's interests are fundamentally different from the of the Community and it is not entitled to a seat on its right. But most observers think to think that the government will back down in end, writes Malcolm Rutter. Back Page

**Moroccan king goes Sahara invasion**

Hassan of Morocco called 350,000 unarmed men and to march peacefully to Spanish-owned Western Sahara to protest at the World's denial of Morocco's claim sovereignty. He said his army did not want war with, which would take all possibility for any loss of life. Page 6

**£ cuts bread price by 1p.**

ut of £p. in the price of a dark loaf at 16p from day, to be shop-lined. Prices Secretary Mr. Ley Williams, "Associated Bakers, one of the U.K.'s three bakers, is making reduction and the Bread Order is being amended so that the consumer reaps all benefit." Back Page 7

**Grave warns**

Premier Mr. Liam Cosgrave the kidnappers of Dutch trialist Dr. Tiede Herrema: we will be no deal and no promise. We will not give in our demands." The Rev. Dr. Arlwin, who helped last to set up trials that led to Provisional IRA ceasefire, been asked by Dutch representatives to intervene in the

**face death**

ions police arrested six anti-terrorists accused of being a police officer last. Under the anti-terrorist all six could face the death. A warrant was issued in air force captain who in Paris that there was evident movement within the d forces. Page 6

**Caracas visit**

Wilson's visit to Venezuela will be fixed for early next. Mr. Colligan and Energy Mr. Anthony Wedgwood Benn will also visit Caracas what seems a concerted effort to forge a strong new relationship with the major American member of

**oilic works**

Government's first job on project gets under way. Under a deal to when 25 meters and two adults will be need to wade and tidy up the line at a cost of £21,235. Back Page 8

**Gold prize**

ssor R. Dulbeco, of the Cancer Research Fund, London, shares the Nobel Prize for Medicine two other U.S. doctors for work on the interaction between tumour viruses and the material of the cell. Back Page 8

**Beefy ...**

Beaverbank paid a Euro record price of 202,000 gns. yearling at the Houghton stock sales in Newmarket. and Maitens. Page 18

**EF PRICE CHANGES**

es in pence unless otherwise indicated)

|                      | YESTERDAY   |
|----------------------|-------------|
| Thorn Elect. "A"     | 206 + 8     |
| Tunnel "B"           | 172 + 6     |
| BP                   | 590 + 17    |
| Shell Transport      | 364 + 6     |
| Charter Cons.        | 168 + 8     |
| Cong. Gold Fields    | 206 + 10    |
| FS Sasepia           | 150 + 15    |
| MTD (Mangal)         | 32 + 10     |
| Palabora             | 880 + 30    |
| <br>ANGLO-THAI       | <br>141 - 6 |
| Comm. Bk. Aus.       | 245 - 15    |
| Estate House Inv.    | 256 - 7     |
| GMP Group            | 90 - 10     |
| Inchcape             | 315 - 19    |
| Morgan Grampian      | 33 - 4      |
| Style Shoe           | 16 - 64     |
| Ass. Aust. Resources | 136 - 14    |
| Intl. Oils           | 32 - 12     |
| Pancontinental       | 570 - 40    |
| Peko-Wallend         | 390 - 30    |
| Engineering          | 114 - 7     |
| W. H. "A"            | 388 + 12    |
| Posidon              | 175 - 15    |

BUSINESS

**Sterling at new low; gold up \$1**

STERLING was steady at \$2.9355, but its depreciation

widened to a new low of 29.5 (29.5) per cent. The dollar's widened to 2.16 (2.01) per cent.

**GOLD** rose \$1 to \$142.90 on a report that the Bank had problems over selling on the open market. Back Page

**EQUITIES** responded sharply in the morning to institutional demand and continued higher. The FT 30-share index closed 8.0 up at 345.4.

**SHORT-DATED GILTS** saw a lively two-way trade and continued to rise. Medium and longs improved slightly. The Government Securities Index hardened 0.09 to 58.68.

**WALL STREET** closed 0.63 up at 837.85.

**STOCK EXCHANGE** says the current cost accounting system proposed by the Sandlands Committee makes it too difficult for shareholders to make comparisons both between companies and between successive years. Page 7

**Shell and Esso consider plant**

**SHELL** and Esso are considering developing a joint £250m. petrochemicals plant in Scotland. Back Page. British Petroleum has meanwhile piped the first commercial flows of oil ashore from its North Sea Forties Field. Page 7

**MERRILL-LYNCH** has added to pressures for reform of the U.S. brokerage system with proposals for a national electronic market network. Page 4

**AEROSPACE** industry exports from the U.K. reached a record £508m. for the first eight months of 1975—£105m. up on last year. China is now the fourth largest customer. Page 4

**EEC COMMISSION** expects the Community's GNP to expand between 3 and 3.4 per cent in 1976, compared with a 2.4 per cent decline this year. Page 6

**LRC INTERNATIONAL** has agreed to cut prices of contracts, sheaths, in line with Monopolies and Mergers Commission recommendations. Page 8

**UNION LEADERS** have reluctantly accepted the total or partial closure of 48 power stations. The CEGB will try to reabsorb the 5,000 workers affected. Page 9

**COMPANIES**

**INCHCAPE** and Co. has won control of Anglo-Thai Corporation following acceptance of a revised offer by the largest shareholders, Estates House, Investors Trust. Page 28 and Lex

**NORSK HYDRO** pre-tax profits rose slightly to Nkr.223m. in the year to July. President says it is likely to invest Nkr.3bn. (about £265m.) in North Sea expansion this year. Page 23 and Lex

**SEARS HOLDINGS** first-half pre-tax profit rose to £19.201m. (£18.213m.). Board says first-half figures should not be taken as full-year guide due to the seasonal nature of activities. Page 28 and Lex

**SELL** prize

ssor R. Dulbeco, of the Cancer Research Fund, London, shares the Nobel Prize for Medicine two other U.S. doctors for work on the interaction between tumour viruses and the material of the cell. Back Page 8

**EF PRICE CHANGES**

es in pence unless otherwise indicated)

**RISSES**

ury 1975 £100. £100. + 12

162 + 5

117 + 8

194 + 10

35 + 3

200 + 10

153 + 15

138 + 5

ard and National 173 + 15

162 + 4

171 + 8

123 + 6

176 + 8

106 + 12

223 + 10

30 + 6

114 + 7

388 + 12

Posidon 175 - 15

**FALLS**

Anglo-Thai 141 - 6

Comm. Bk. Aus. 245 - 15

Estate House Inv. 256 - 7

GMP Group 90 - 10

Inchcape 315 - 19

Morgan Grampian 33 - 4

Style Shoe 16 - 64

Ass. Aust. Resources 136 - 14

Intl. Oils 32 - 12

Pancontinental 570 - 40

Peko-Wallend 390 - 30

Engineering 114 - 7

W. H. "A" 388 + 12

Posidon 175 - 15

## Royal Commission to study National Health Service

BY LORELIES OSLAGER AND PHILIP RAWSTORNE

A Royal Commission is to be set up to inquire into the operation and financing of the National Health Service, it was announced yesterday, but this failed to appease doctors who are rapidly moving towards confrontation with the Government on several fronts.

Leaders of the country's 15,000 reference would be: "To consider, in the interests of the junior hospital doctors, the patients and of those who work in the NHS, the best use and management of the financial resources of the NHS." The Prime Minister is to make a statement about the inquiry in the Commons on Monday, when he is expected to announce the name of the Commission's chairman.

Mr. Derek Stevenson, secretary of the British Medical Association, warned that the setting up of a Royal Commission would do nothing to ease "confrontation" between the medical profession and the Government unless it was also to look at the highly contentious issue of separating private practice from the NHS, which the Government wants to achieve by phasing out pay beds in NHS hospitals.

What interested Dr. Stevenson was an accompanying statement from the Government that it stood by its commitment to phase out pay beds from NHS hospitals and still firmly intends to introduce legislation on this issue.

The setting up and terms of reference of the Commission have no direct bearing on the Government's dispute with the junior hospital doctors, but the fact that the conflict should threaten to intensify on the announcement was made further illustrates the magnitude of the crisis in the NHS.

Most leaders of the BMA's junior hospital doctors' committee are not keen on industrial action and would have preferred their members to accept a new contract offered to them by the Government, under which about half of them stand to earn more overtime pay while about one third would take a cut in earnings.

An announcement from Downing Street last night said the Commission's terms of reference had been agreed.

**Parliament. Page 16**  
**Feature. Page 18**

Referring to this, Mr. Prentice said: "Without Government backing for the Crown Agents, in face of a position of technical insolvency after losses of £12.5m. last year, and new moves to give the Agents the status of an incorporated public body, were announced in the Commons yesterday. In his statement about them, Mr. Reg Prentice, Minister for Overseas Development, also said he was putting forward a short Parliamentary Bill to remove any doubt whether the Agents could legally claim repayment of certain money they had lent.

Accounts newly published by the Agents, which manage purchases and investment for 90 overseas Governments, reveal that a net loss of £12.5m. was incurred in 1974, reflecting the impact of their deep involvement in the troubled secondary banking and property sectors.

Altogether, the Agents, where Mr. John Cuckney became chairman last autumn and fixed up £25m. Government grant to end of September, 1975.

The depth and seriousness of the Crown Agents' troubles as a result of their commitment to secondary banking and property in Britain, and property in Australia, is brought out in the accounts. These show that against money market and other loans of £838m. at the end of 1974, £101m. had had to be set aside for bad and doubtful debts.

Mr. Cuckney disclosed yesterday that of the £60m. included in these provisions for property loans, £36m. had been put aside in respect of Agents' 200m. of loans to the troubled Stern group. A factor in this large provision was the possible lack of security that we had against advances.

In addition, some £27m. has been written off the value of quoted and unquoted investments by the Agents.

Sombre reminders that even the provisions made to date against losses may prove inadequate are given in the accounts, where it is noted that present provisions "could be subject to a wide margin of error."

Mr. Cuckney said yesterday that the 1975 trading outcome could be a loss of £2.5m., allowing for interest to finance unremunerative loans, but before allowing for any further provisions.

Of future plans for the Agents, Mr. Prentice told the Commons the Government would introduce legislation—some time ahead to confer independent legal personality on the Agents by incorporating them, define their functions and provide that specified powers of direction should rest with Ministers.

"In this country, 51 per cent of houses are owner-occupied and it is these people who are having their basic rights taken away from them by this Bill."

One of the main Conservative attacks will be on the section stating that, in areas where approved structural plans or development plans are in existence, a person has no right of appeal to a public inquiry over a compulsory purchase order made by a council to acquire development land.

She said the Conservatives want people's rights strengthened in such cases and would like to see them granted legal aid.

The Conservatives are also extremely alarmed by the section giving the Secretary of State the right to take away from a local authority the powers it is granted under the Bill and transfer them to himself.

Opposition amendments seek to overturn the Government's proposal to block this proposal.

BY MICHAEL BLANDEN

**Expansion of profits vital says Governor**

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

MR. GORDON RICHARDSON, Governor of the Bank of England, stressed last night the importance of improving industry's profitability and recognition of the contribution of the private sector to the economy.

"Without an improvement of confidence," he said, "and a reversal of the erosion of profitability, a greater fear we shall not get the kind of expansion of output, nor consequently the expansion of employment, that we need."

The Governor made it plain that the Government was not prepared to provide funds for investment.

While recent efforts such as this week's new initiative by the institutions were welcome, "what is missing is not a City response, but profitability in the enterprise."

Allowing for inflation, Mr.

# The silence on new world order

BY C. GORDON TETHER

WHAT DO you know of the vivendi it represents more "new international economic serious attention order?" Do you believe it refers to the writers and broadcasters—many people evidently do—in the massive change in world economy produced by the oil explosion? Or is it all counted among that very large about? For the experts applied body of people who have either themselves to the task of enlarging on its merits or have formed no clear idea at all of its meaning?

It is, in fact, the label that has been given to a blueprint for a far-reaching restructuring of economic relations between the advanced countries and the Third World which the developing countries were largely instrumental in bringing into being.

Many of them clearly regard it as just about the biggest development in world economic affairs since the end of World War Two. Two-thirds of this week at a conference in the south of France which was concerned with the highly pertinent question of why this seemingly epoch-making initiative has received so little attention from the mass media.

## Two purposes

The get-together was organised by the Centre International pour le Développement—a French-based non-official institution dedicated to the cause of promoting world co-operation for development. It took the form of a "dialogue" between journalists who take a special interest in the development and were drawn from a wide range of countries—rich and poor—and a group of Ministers and other officials who have played a major part in hammering out this brave new world concept.

The "dialogue" was intended to serve two main purposes. One was to provide the writers with an opportunity to get the blueprints men to spell out in chapter and verse the significance of their scheme—with an eye to eliminating any doubt or uncertainties that may have inhibited or restricted the interest taken in it.

The other aim was to discover what lay behind this disinterested attitude. And the intention here was to ascertain what more could be done to ensure that the public in our part of the world will gain a greater awareness of this new development in world affairs and—to the extent that it is there after so minded—assimilate its affluent world's Press—the rulers to the alternative to situation that world's present modus change much.

## RACING

### New chance for Malinowsky

MALINOWSKY, rated by many as the best of Vincent O'Brien's two-year-olds, can consolidate his formidable reputation by outpacing some smart English-trained rivals in today's William Hill's sponsored Dew-Stakes (3.40) at Newmarket.

Mr. Charles St. George's bay, Sir Ivor has made only one appearance to date. This was in a valuable 16-runner maiden event at the Curragh seven weeks ago, in which Malinowsky was sent to post as a 2-1 on chance. He could hardly have done more impressively.

After being slow to leave the stalls the Cashel Vase, a handsome strongly-made individual, found no difficulty in getting into the lead two furlongs out, the race clear to put lengths between himself and the runner-up, Slapdash.

If he can reproduce the Hill Dewhurst Stakes, *Roman Warrior* is a tentative choice for the show at the Curragh this afternoon's more formidable opponent, Malinowsky Stakes (4.10), in which the See Men and Masters Page 18

## NEWMARKET

2.00 Kapala  
2.25 Envoi  
3.05 Johnny Turner  
3.40 Malinowsky  
4.10 Roman Warrior  
4.40 Shallow Stream

## CATTERICK

3.15 Charlie Pearl

3.45 Sky Rider

4.15 Sounds Good

## MARKE RASEN

2.45 Trumpet Dance

4.15 Town Ship

## SALE ROOM

### BY MICHAEL THOMPSON-NOEL

## £9,000 for jumble sale find

THERE was wild excitement at £8,500 for a pair of George III Sotheby's yesterday when a wine cooler in Louis XV style.

Louis XIV silver-gilt two-handled bowl bought for £900 in a Sotheby's sale of fine jewels which amassed £62,306, was the £9,000 down for a French Leicestershire dealer for an emerald and diamond ring.

The bowl, sent for sale by Mr. mounted by Cartier. Another

G. W. Alderman, is dated "Paris, 1882" and represents one of the great art market bargains of all the late 19th century.

Prices were even more hectic at Sotheby Parke-Bernet in New York on Wednesday, when a sale of jewels and gold coins from the Dodge estate totalled \$1,181,057. A diamond pendant weighing 2.65 carats was sold for \$230,683, a ruby and diamond necklace made \$160,194, and a sapphire and diamond pendant

£1,150. A record for this stamp and \$3,511 for a cover, mounted to Bournemouth bearing probably the finest impression of the Falkland Islands red "paid" frank of 1861-77.

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At Phillips, a Victorian fairing depicting a fat man on a monicycle, *Velocipede* for Stour Travellers, made \$310 (so of pot lids and fairings). The most remarkable price, however, was thought to be the \$220 paid for a model of the Abbot's Kitchen at Glastonbury Abbey, a small piece of seaside goss.

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## BY DOMINIC WIGAN

ENTERTAINMENT GUIDE

The Financial Times, Friday, October 17, 1975

## OPERA & BALLET

COLISEUM THEATRE, 201-202, ROYAL NATIONAL OPERA, TENTERDEN, TONIGHT, 7.30. *The Sorceror*, Wed., 7.30. *The Queen of Spades*, Fri., 7.30. *Don Giovanni*, Sat.,

# Alternative views of love and death

by NIGEL ANDREWS

**and Death (A)**  
ABC, Shaftesbury Avenue  
**romantic Englishwoman:**  
(AA) Plaza One  
**le Bullet (A)**  
Odeon, Leicester Square

ian history is having a time of it in the movies these days. Two weeks after Brooks's irreverent rip-off revolution, Russia, The Chorus, Woody Allen's filmgoers his vision of life under the sun during the 19th century, the structure, with its long shooting and a budget larger than that for any previous film make *Love and Death* Allen's most ambitious to date. It's also one of the most: an attempt to "up the world of Trotsky and Tolstoy, and of polemic wars, that works oaks' film, by playing off the anachronisms and the ironies of the treatment. Horn-rimmed glasses, waspish thinning hair of to are this time put to use of a portrayal of a Russian whose career we from infancy to accident in his adult life as a and lover. All the in of the Great Russian Opera are here, the and picturesque, roles so surrounded by boyhood, tragic terrors of his first in love and war, the in general round of operas the Tolstoyan graph with philosophy and in later life.

Allen's unerring aim, now cliché after another the ground. But what is the film from ever is a monotonous pastiche comedian's ability to use a springboard for other humour. The verbal

Reviews appear on Page 12

funny regardless of next (the opening finds us to be executed by a quad at six in the morning, going to be five, have a smart lawyer), Allen's own comic becomes richer with him. More and more he like a miniaturised come all three Marx Brothers at talk of Chico, the uncle of Harpo, the non of Groucho—and in *Love and Death* is than the running between the film's stately, supporting characters Allen's bestrayed, midget, in a perpetual of manic sides and first depreciation. This part, furthermore, Dennis skates with bliss over the potentialities of a large budget. The sequences are clumsy orchestrated, relying on the screen, but elsewhere sees his spectacular set, good effect. The cross, a seductive counterexample ("My room at Good Will you") is all the funnier in place in the gigantic of an opera house. With the added glamour score by Prokofiev, deliciously comic performance Diane Keaton as boyhood love and later distinctive film to be seen in London.

\*  
are certain areas of convention, currently into cliché, that one to see marked out for argue practice by Mr. Ian is the English boudoir, of manners, Lossey-style, of which the most fatigued example is the Romantic English.

Ripe for parody, this kind of film that gives the screen, characters exchanging a comic dialogue in of a sort but opulently, comic settings; the directing the audience the seeing it all as some

kind of doom-laden swan-song of the affluent Western middle class.

Some years ago, Lossey made the excellent *Accident*, so well in his new film, in and its own quality, bears a distinct resemblance. Once more, the setting is a well-appointed house in a privileged heir of the English countryside: once more, the main characters are an educated, married couple, one of whom is suffering from the menopausal blues of early middle age; once more, the catalyst in their lives is a glamorous and enigmatic foreigner with whom the faded spouse has a brief, reinvigorating liaison.

Glenda Jackson is the spouse in question, holidaying in Baden-Baden to escape the domestic shapefaction of life in Weybridge. Here she meets Ignacio, a dour, single, Helmut Berger. A brief affair takes place between them—or does it?—and Miss Jackson returns to Weybridge and novelist husband Michael Caine, a revived woman. No sooner has she settled back into domestic bliss, however, than Herr Berger turns up on their doorstep. After accepting an invitation to tea and dinner, he decides to stay on indefinitely, taking a token job as Caine's secretary and continuing his covert attentions to Miss Jackson. The last section of the film has the adulterer taking off together for the South of France, with Caine in hot pursuit, and Berger's underworld rivals not far behind.

It's a film that's best discussed by parcelling it out in sections. The opening sequences in Baden-Baden are effective, in a Merleau-Ponty way, mysterious trompe-l'oeil interiors providing an apt setting for the prologue's trompe-l'oeil chain of events. (Was Miss Jackson seduced in the hotel lift or was she not?) The middle part of the film, set in sun-and-saguar, Surrey, has some callow, throwaway wit, and some nice scenes of cocktail-party passion. But the last part of the film is a virtually complete write-off, romantic driftings through Mediterranean scenery mixed up with much cloak-and-dagger intrigue, and ending with one of those unresolved finales that are meant to tantalise but seem more likely to be the result of writer's sloth.

I don't know if Lossey is setting out to show us how beastly are the bourgeois. "The bourgeois life has its compensations," quips Caine as he offers Berger a after-dinner cigar, to which his guest replies "what would it be to beat each other to the finishing post; Candide Bergen as an ex-prostitute with an ulterior motive for entering the race: tell us very much about the film's socio-moral point of view, or do the stock-in-trade Lossey mannerisms, like, mirror, shot and composition, that artfully frame the film's outer furnishings (design by Richard McDonald). Lossey may not have liked the characters in *Accident*, but he seemed at least to be interested in them. Here he seems more involved with the decorative marginalia of their life-styles than with what might be going on inside their heads.

Much of the blame must go to the screenplay, which was written by Tom Stoppard and Thomas Wiseman from the latter's novel. With the comic banalities of its dialogue, and the familiar theme of the mysterious interloper, it could almost be mistaken for a Pinter script. But Pinter—who wrote *Accident*—would never have left the story's structure in such a dilapidated, piecemeal state, or have reduced to such a cipher the character played by Helmut Berger. Lossey may be one of the more creative and individual film-makers currently working in Britain, but *The Romantic Englishwoman* shows him to be no less dependent than his colleagues on a worthwhile story and a worthwhile script.

\*  
Brooks's *Western* is Richard

Brooks's *Western* is Richard</

# Canada tightens foreign investment rules

BY JAMES SCOTT

TORONTO, Oct. 16.

PHASE TWO of Canada's Foreign Investment Review Act has become effective. The determining test of whether a foreign company or individual may make an investment in Canada continues to be whether it will be of significant benefit to Canada. The ultimate decision still rests with the Canadian Cabinet.

Under Phase Two, any foreign company that does not control an existing Canadian business will have to apply to the Foreign Investment Review Agency if it wants to establish any business, however small, in Canada. Foreign-owned Canadian companies that want to make acquisitions into fields unrelated to their own will be required to apply, and even applications into related businesses will require

200 applications reviewed in the 18 months the Agency has been in existence. 140 have operations will have to apply if been allowed, 28 disallowed and the expansion is into an unrelated field; if related no application is needed.

Foreign investors are Two is "not in any way especially uneasy about this intended to discourage foreign aspect of Phase Two because no investors what we are saying one knows how narrowly is that they must structure

Federal government will define their investments in such a way that like Phase One, Phase

August 1974.

Engines accounted for the biggest single proportion of the eight months' total, at £248m. aircraft and parts for £226m. Over £150m. worth of refurbished engines and parts were exported, and parts sent overseas exceeded £100m.

The leading market for engines was the U.S., which bought £80m. worth, largely Rolls-Royce RB-211s for the Lockheed TriStar. The leading markets for aircraft were France (£322.8m.); mainly parts for Concorde, offset by U.K. imports of Concorde parts; and the U.S. (£23.8m.).

The last-mentioned figure included deliveries of Harrier vertical take-off fighters for the U.S. Marine Corps and some of the British-Norman Islander light transports and Hawker Siddeley HS-125 executive jets.

China is now Britain's fourth largest customer for aircraft, taking over £15m. worth in the form of Hawker Siddeley Trident jets.

The equipment companies are also doing well. Exports of instruments to August 31 were £9.6m.; airborne radio, navigation and radar aids £6.5m. and ground flying trainers £9.5m.

## Norway may build oil rigs for USSR

By Fay Gisler

OSLO, Oct. 16.

A 5-YEAR trade agreement between Norway and the USSR was signed in Moscow yesterday.

A framework agreement, it is

in effect an extension of the existing

concluded in June, 1971. Mr.

Einar Magnussen, then Norwegian Trade Minister, said he

hoped it would remove some of

the bureaucratic obstacles in the

way of Norwegian business contacts with Russian concerns.

Negotiations were continuing,

he added, between Russia and Aker Shipbuilding about a pos-

ible Kr500m. (£44m.) contract

for oil rigs and shipbuilding

"know-how." It is realised Aker

would build two rigs in Norway

for service in the Caspian Sea,

and would provide technical assistance on building a large

shipyard at Astrachan.

## IN BRIEF

### Dow Chemical

Japan's Ministry of International Trade and Industry has decided to postpone an application by U.S.

Dow Chemical for permission to produce caustic soda in Japan,

Tokyo reports indicate.

### Dunlop exports

Dunlop factories' direct exports from the U.K. for January-September rose 26 per cent to £66.1m. against £52.5m. Strong performers were Dunlop (up 64 per cent), Aviation group (up 39 per cent) and Angus armour and Dunlop textiles (up 45 per cent).

### Export transport

Unifast, a new Unilever-backed freight forwarding and groupage service for U.K. exports to Europe started yesterday (Thursday). There is a "demanded day" system so that trailers are not held until full, but leave according to schedule. Unifast will feed into sister Unilever transport companies throughout Europe.

The main reason for the improvement lies in exports to Nigeria, whose industrialisation has been proceeding apace.

Although Britain will be paying about 10 per cent more for oil in due course, following the latest OPEC price rise, that should not substantially affect the trading position with Nigeria.

## Iran to finance improved Turkish communications

By METIN MUNIR

IRANIAN CREDITS for the improvement of communications, harbours and storage facilities in Turkey, used extensively by Iran in transit for its trade with Europe, form the chief topic of talks between Mr. Houshang Ansary, Iranian Finance and Economic Affairs Minister, and the Turkish Government, now in progress here. The amount of credit is expected to be determined at the current meeting.

Iran decided in June to give be modernised, capacity in Iranian transit company.

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CDN \$70,000,000  
Province of Saskatchewan  
97% Debentures

To be dated November 3, 1975

To mature November 3, 2000

Right of Prepayment on November 3, 1983

The holder of any Debenture will have the right to elect that the Province of Saskatchewan shall repay the principal amount of such Debenture on November 3, 1983. Such election, which shall be irrevocable, may be made only after November 3, 1982 and prior to May 3, 1983 by presenting the Debenture to the Province to have an appropriate notation made thereon to the effect that the Debenture will mature on November 3, 1983.

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Bank of Montreal

The Toronto-Dominion Bank

The Royal Bank of Canada  
The Bank of Nova Scotia  
October, 1975.

## THE LOCKHEED BRIBES CASE

BY MAURICE IRVINE IN BURBANK, CALIFORNIA

MR. DANIEL Haughton, 64-year old chairman of the embattled Lockheed Aircraft Corporation, faces a Federal court showdown next week over his refusal to identify the overseas recipients of at least \$12m. in "kickbacks," mainly intended to obtain orders for the Rolls-Royce-powered L1011 TriStar airliner, whose success is crucial to the company's survival.

The action is being brought with some reluctance by the securities and exchange commission, which claims that its rule as the watchdog of U.S. trading practices were violated. More trouble is expected from the tax authorities if these payments turn out to have been deducted as business expenses.

The Government Loan Board, which bailed out Lockheed when it faced bankruptcy after the Rolls-Royce collapse in 1971 is under pressure to remove its support unless Lockheed toes the line.

The harsh criticism of Mr. Haughton's overseas largesse by the Senate subcommittee on multinational corporations is likely to continue, with more demands for disclosure of all kinds—part of the post-Watertown fallout which is affecting many corporations. Nor is an end to Lockheed's woes in sight.

The annual meeting, due last May, has had to be postponed for a fourth time, with no date set, while a sorely needed recapitalisation plan hangs fire. Operating losses on the TriStar were £24m. last year, while the debt load is nearly £500m. with interest earing up £50m. a year. Refinancing needs approval both from the shareholders and the Government. If the controversial £125m. guarantee to Lockheed's banks is to be extended.

The discovery that at least £100m. altogether has gone out in commissions in 20 countries where arms and aircraft sales were sought has shaken the Lockheed Board and precipitated a management reshuffle. Treasury vice-president Walter Roberts took his life with a rifle shot soon after the scandal broke.

Lockheed is perhaps the last of the "one-man operations."

Mr. Haughton, who has been chief

executive for eight years and is

now to be retired on schedule in

next September, is fighting to get

his company in the clear before

he goes. His aides forthrightly

protest that "the chief" merely did what had to be done

in countries where bribery is a

way of life, to keep thousands of

people in good jobs at Burbank

and Derby, where the Rolls-Royce

heat and responsibility with no diminution of his smiling southern courtesy. He has

received sympathy and support

only in private, from business-

men who think that "the hollow-

thrust" charges now raining

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Lockheed is perhaps the last of

## OVERSEAS NEWS

## Opposition deny Mr. Whitlam funds to force election

CANBERRA, Oct. 16. ALIA'S Labour Government was deprived of funds by principle in his desperate grasp for high office. Mr. Fraser did not name the Minister. He said the information related to secret attempts by the Government to raise up to \$15.5m. in loans from Middle

East oil states—the issue which sparked the crisis yesterday. "The Prime Minister has been trying to find out who has made available a certain Treasury document to the Opposition," Mr. Fraser said. "Let me tell him that it is somebody who is sitting on the front bench at this moment."

Mr. Fraser added: "The person who made the document available did so because he believed that the national interest of the Opposition ought to have that information." He did it because he is a general election.

Fraser today told the House he had questioned every front bench Government Minister about the allegation and believed it to be completely untrue. Other Ministers concurred.

Reuter

## Kenya threatens MPs who step out of line

NAIROBI, Oct. 16.

RELIABLE sources said that at the two-hour meeting to-day, President Kenyatta made clear that he had personally ordered the two men to be held under the Preservation of Public Security Law which allows detention without charge or trial. He also told the house that he knew the names of others who were not following KANU and Government policy and would act against them if necessary.

He mentioned no names. When KANU's assistant national organising secretary, Mr. Jesus Gachago, tried to read a list of names the President stopped him, MPs said.

Friends of the two detained MPs sat silently. When Mr. Kenyatta called for questions at the end of his address the only response came from strong Government supporters. No mention was made of the arrests of two of the House's most prominent figures.

Reuter

## Move to reconcile Iraqi and Syrian Baath wings

YHSAN HUZZA

BEIRUT, Oct. 16. DRTS are under way to about a reconciliation between Iraq and Syria in a to establish a stronger eastern front against Israel.

Pan-Arab leftist group here is joining hands with the Palestine Liberation organisation under Mr. Yasser Arafat in the mediation between Syria and Baghdad. The "Front for Participation in the Palestinian Revolution" is led by Lebanon's left leader Kamal Jumblat. It comprises leftist organisations from various parts of the world. It met here yesterday with representatives of the factions of the Baath Party rule in Syria and Iraq, decided to hold its next sessions in Damascus and add: "The meeting was led by Mr. Arafat and guerrilla leaders, according to informed sources, who had also been held here. Mr. Michel Aflak, leader of the Baath Party and army-general of its Baghdad Pan-Arab Command.

In Lebanon, meanwhile, the political seaway was in favour or relaxation after a new truce was arranged last night in the suburbs east of Beirut. Some shops and banks reopened today and the centre of town witnessed some activity.

## all for self-restraint

CAIRO, Oct. 16.

foreign ministers ended talks on the Lebanese situation with an appeal for restraint to end the factional fighting in that country. Ministers said here that all countries were committed with Lebanon against any attempt to exploit the situation directly or indirectly, they added. Arab ministers said Arab

## Z. finalises \$33m. loan

PETER DUMINY

TOKYO, Oct. 16. The New Zealand terms in the market were finalised as the coupon is 9 per cent with the issue price given as offering yield 8 per cent for the 12-year. Formal agreements will stand to-morrow and the date for subscriptions is November 4.

New Zealand sources at the time are "completely satisfactory." This apparently contradicts market reports that the borrower sought heavily for a coupon 9 per cent, but was unable to persuade the underwriters. Lead manager of the is Nomura Securities.

all events, New Zealand early done well to have had its issue from mid-when it had the option to its foreign borrower into the market for more than others. Finland gained that distinction. Finland's in July carried a 9.25 per cent coupon and yielded 9.427 per cent to maturity. This was he said in a statement. He added 0.1 per cent more than the provincial government had on AA-rated corporate at that time.

## MPLA takes town in Angola

LUANDA, Oct. 16. ANGOLA's MPLA movement said today that its forces had captured a town in the country's southeast only 60 miles from the city of Nova Lisboa which a peace mission from the Organisation of African Unity (OAU) is visiting.

An OAU conciliation commis-

sion team is trying to settle

differences between Angola's

three rival liberation movements

—of which the MPLA

Popular Movement for the Libera-

tion of Angola) is one—to pave

the way for peaceful transition to

independence on November 11.

The delegation, which has been

in Angola for a week, arrived

yesterday in Nova Lisboa, Ango-

la's second biggest city and

a stronghold of UNITA and

mercenaries, who included South

Africans, out of the town.

Roads from Quibala lead south-

east to Nova Lisboa and west to

the port of Nova Redondo.

The communiqué said that

elsewhere, MPLA troops had

been fighting FNLA (National

Front for the Liberation of

Angola) forces in the Uembo area

northeast of Luanda, and UNITA

troops around Luso, 800 miles

southeast of Luanda.

Reuter

## BIG BUSINESS AND THE FIGHTING IN LEBANON

## Mixed feelings about Beirut

BY OUR FOREIGN STAFF

BEIRUT remains the best option for a Middle East base of operations despite the continued heavy fighting now in its sixth month, most foreign companies have already moved from Beirut to Athens appear to be pre-

dicted.

Though many have moved to

other capitals (like Athens and

Rome) to escape the worst of

fighting, most say they intend to return as soon as

things quieten down. Reports

that dozens of U.S., European

and Japanese companies have

already moved from Beirut

to Athens appear to be pre-

dicated.

At the same time most com-

panies questioned conceded

that they may soon have to

think about alternatives to

strife-torn Lebanon if the

fighting continues for very

much longer.

Sources in Athens believe

that many companies, chiefly

from the U.S., have already

initiated complex and lengthy

incorporation procedures and

are tactfully keeping their

options open with the

Lebanese. In some cases com-

panies have moved foreign

personnel out of Beirut, leaving

local employees behind.

It is virtually impossible to

travel as usual to other

areas in the Middle East.

JAPANESE COMPANIES: More than three-quarters of the 113 Japanese companies with offices in Beirut have now partly or wholly evacuated staff or family members as violence has become chronic in the Lebanese capital. The Japanese community which totalled just under 1,000 members is moving. Its Beirut officers had gone to Athens for a regional meeting just in time the offices were closed in mid-September. The branch was closed for one to one-and-a-half weeks. It has reopened and there are no plans to close the offices there. A Chase spokesman insisted that Beirut is still the banking and financial hub of the Middle East.

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there. A Chase spokesman in-

sisted that Beirut is still the

security problem.

Several large Japanese com-

panies with Beirut offices, includ-

ing Mitsubishi and Marubeni,

have evacuated family members

to Athens but only Sony, out of

more than a dozen major com-

panies interviewed by telephone,

had transferred its staff and

their families to Athens. Mitsui,

Japan's second biggest trad-

ing company, has moved both

staff and families to London.

## What's so special about 17 of Toyota's European service managers?

They're amongst the most talented men in the business. When it comes to servicing Toyotas, they know just about everything there is to know—and they don't keep their knowledge to themselves. Each year the 17 national managers of Toyota's European service network train hundreds of already well qualified technicians

to provide quality Toyota service. They train them well. So whether you bring your Toyota in for a routine service or a major overhaul, whichever Toyota dealer you go to you know your car is in understanding hands. We put a lot of care into making your car, so it's only natural we should care the same about how it's looked after.

Better Harmony  
TOYOTA

See us on Stand 90 at the Motor Show.

Toyota (GB) Ltd, 320 Purley Way, Croydon, Surrey CR0 4XJ.

## EUROPEAN NEWS

## Brezhnev still unseen

BY OUR OWN CORRESPONDENT

MOSCOW, Oct. 16.

**FRENCH** President Valéry Giscard d'Estaing went sightseeing in the Ukraine to-day Friday. Later an optional discussion planned for Saturday prior with mystery still blanketing the Soviet cancellation of two meetings he is expected to have with Mr. Brezhnev.

The French party was spending the night in Kiev and returning in the morning for M. Giscard d'Estaing's rescheduled second round of talks with the Soviet leader.

One highly-placed Western diplomat said he had been informed that neither Mr. Brezhnev's health nor differences over the wording of the summit meeting's final communiqué were responsible for the cancellations. But neither side was saying what the reason was.

Soviet officials asked M. Giscard d'Estaing on Wednesday, several hours before he was

improving trade, among other things.

M. Giscard d'Estaing and Mr. Brezhnev made their differences known over the question of East-West detente during the first 24 hours of the summit, but no major problems between them are known to have cropped up.

Discussions continued on the final communiqué, which the Soviet side reportedly again sought to make into a virtual friendship treaty—something the French have always balked at in previous years.

Mr. Giscard d'Estaing's official Tass news agency only added to the mystery by saying in a dispatch distributed to-day that the talks had been conducted to date "in a good spirit and constructive atmosphere."

He said, "in a major new contributions" to Franco-Soviet relations had been made.

But this could have been no more than a reference solely to the Soviet side's "discussions which have been continuing as planned," while M. Giscard d'Estaing was forced to take to sightseeing.

These involved the French and Soviet finance and industry Ministers and were aimed at

## Bonn clears way to fish talks with Iceland

BY WILLIAM DULVORCE

REYKJAVIK, Oct. 16.

**WEST GERMANY** today finally lifted the ban on the landing of Icelandic fish in its harbours and cleared the way for separate negotiations on fishing rights for both German and British vessels within Iceland's newly declared 200-mile limit.

It was officially confirmed that Foreign Minister Elmar Agustsson will arrive in London for talks next Thursday—only three weeks before the present Anglo-Icelandic agreement is due to expire, and that a German team, led by Foreign Minister of State Wieschnewski, will come to Reykjavik on Tuesday, Oct. 28.

Iceland has made negotiations with Bonn conditional on the lifting of the landing ban. The hitch which occurred yesterday, when the Germans first lifted the ban, and then reversed their decision, is understood to have been due to a misunderstanding over a remark on television by Prime Minister Geir Hallgrímsson which has now been cleared.

This enlargement of EIB's horizons is taking place, ironically, while the bank, which is marooned in Luxembourg, has been encountering a number of problems in its relationship with the Brussels-based Commission, the EEC's chief administrative and policy suggesting body.

For new EEC policies have also broadened the area of the Commission's activities and have brought it much more into areas where the bank has long been established as the chief Community agency. This is particularly true of regional policy and energy financing, and the tensions between the two institutions illustrate the dangers inherent in the Community's tendency to multiply instruments and duplicate functions in the process of haphazard growth.

Fisheries Minister Matthias Bjarnason, who will accompany Mr. Agustsson to London, said today there was room for agreement with the British provided they showed understanding for the basic issue: the need to preserve Iceland's fish stocks and secure an economy in which fish products accounted for 80 per cent of exports.

The Icelandic fish eaten by British families during the last war must have been the most expensive the world had ever known, Mr. Bjarnason said.

He was sure the British public would think the price too high. If Mr. Wilson were to publish the bill run up by the Conservative government for naval protection and tug fees, nothing that could be

The Icelandic delegation is to be augmented by a fisheries expert who will explain the latest findings of the marine research institute on the state of the fish stocks. They are said to be disturbing.

By coincidence Mr. Agustsson will be in London at the same time as the Norwegian Minister, Dr. Jens Enevoldsen, who recently talked with the British Government on fisheries questions some weeks ago.

## MORE ARRESTS IN SPAIN

MADRID, Oct. 16.

**BARCELONA** police announced to-day the arrest of a six-member "commando" group accused over the murder of a police officer, in the city of Barcelona, on September 14. Under the anti-terrorist law all six could face the death penalty.

The stimulus from

It says that domestic demand and output are unlikely to show strong signs of recovery before the spring of 1976 when inflation is expected to have moderated significantly, leading to a reversal of the present trend in consumers' expenditure and a strengthening of business confidence.

The stimulus from

The six are said to belong to the Maoist group called the Revolutionary Anti-Right Patriotic Front, three of whose members were recently executed for the murder of police officers.

Meanwhile, police in Bilbao have announced the arrest of 10 people alleged to be members of the Basque separatist organisation ETA.

The rulings represent a second set-back to the ambitions of

Morocco and Mauritania. The two

## THE EUROPEAN INVESTMENT BANK AND THE COMMISSION

## Luxembourg v. Brussels

BY DAVID CURRY IN BRUSSELS

WHEN THE EEC finally agreed to offer Portugal 150m. units of account aid in the form of loans from the European Investment Bank it was using as an arm of foreign policy an institution which is playing an increasing role in giving shape to the Community's idea both of itself and of the outside world.

Portugal apart, over the next few years the European Investment Bank's activities will be steadily enlarged. It is to provide some 400m. units of account in loans towards the Community's package of assistance for the 46 Third World countries associated with the EEC under the Louvain Convention and dependencies of EEC States; and to manage a further 100m. of risk capital extended to these countries by the EEC's Development Fund. In addition, EIB loans will be part of the eventual agreement with the Maghreb countries while new protocols must be negotiated with Greece and Turkey providing a window to EIB finance. Yugoslavia has had its request for access to EIB funds "noted."

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Among its economic guidelines for the member countries, the Commission says that the U.K. should make every effort to ensure the Government's counter-inflation policy is strictly implemented.

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Morocco and Mauritania. The two

states at one point agreed to divide the territory between themselves, which was not endorsed.

Reports earlier this year indicated that Spain had won much assurance from Morocco, which, it was feared, might try to use slow down development of Saharan phosphates in order to maintain the extremely high prices for this mineral prevailing on world markets.

King Hassan pledged last night that the marchers, 10 per cent of whom would be women, would be unarmed "because we do not wish war with Spain."

In an apparent warning to Algeria to stay out of the situation, the king warned that if the marchers encountered resistance from an non-Spanish force, the country would react in self-defence.

A Spanish-backed local party, the POUNS, Spain has now recognised that there is no possibility of holding on to the territory and has conducted a diplomatic offensive among its neighbours to ensure that decolonisation is carried out peacefully and that the Spanish

King is making a grave mistake. Should it be drawn into the conflict, it will be drawn into the adventure it may be to regret."

## INTERIM STATEMENT

## Ellis &amp; Goldstein (Holdings) Limited

Manufacturers, distributors and retailers of ladies' outerwear  
Easier, Dereta, Dunarel, Laura Lee

## INTERIM RESULTS

The unaudited consolidated results for the six months ended 31st July, 1975

|  | 1975        | 1974        |
|--|-------------|-------------|
| External Turnover  | £           | £           |
| Wholesale  | 4,984,543   | 4,548,097   |
| Retail   | 8,154,969   | 6,791,371   |
| Group Profit before Taxation                             | £13,139,512 | £11,330,468 |
| Corporation Tax at 52%                                   | 965,880     | 912,403     |
| Net Profit after Taxation                                | £140,880    | £490,000    |
| Interim Ordinary dividend, pence per Ordinary Stock unit | 0.75        | 0.689       |
| Earnings, pence per Ordinary Stock unit                  | 1.94        | 1.84        |

Interim Statement by the Chairman, Mr. D. Cannon.

\* I am pleased to be able to report that, despite a fall in the rate of profit to sales in the six months to July, 1975, total profit before taxation has increased by more than £53,000 over the corresponding period last year, to stand at £965,880.

\* Towards the end of the half year, there was some slowing down in sales. In the opening weeks of the current period our experience in our shops within stores units at home and abroad is of a continuation of that trend.

\* Cash flow and available cash resources are strong. Our capital expenditure programme for development and the modernisation of plant and equipment is continuing and our productive resources were fully utilised throughout the half year.

\* The lessening of demand makes it likely that profits for the second half of the current year will be lower than those for the second half of last year. Nevertheless, every endeavour is being made to improve our market share in conditions in which the reputation established in our brands should stand us in good stead.

\* Your Board have declared an interim dividend of 0.75 pence per Ordinary Stock unit (0.689 pence last year) which will be paid on the 17th November, 1975 to stockholders registered on the 20th October, 1975.

# Sandilands 'less than ideal' says Stock Exchange

BY MICHAEL BLANDEN

ANGES are needed in the recommendations for inflation accounting of the capital markets committee, it is said by the Stock Exchange. The solutions proposed by the Committee, which is "less than ideal" particularly in defining the interests of shareholders. This view, owing to the committee's rejection of the current purchasing power (CPP) approach to inflation accounting previously adopted by the accountancy profession, has already gained widespread support in the City and may influence the Government's decision to the proposals.

A special committee set up by the Stock Exchange to consider the Sandilands report, which was published early last month, has added its interim report to the Stock Exchange council. The Exchange supports the recommendations of Sandilands, "the representation on this body of investors, both private and institutional", is strengthened.

## Next steps

Further moves on the Sandilands report are largely dependent on the Government's reaction. It is now understood that the Government is unlikely to produce its response until the latter part of next month, though the current impression is that it could be favourable to the general introduction of some form of inflation accounting.

The Government in turn is waiting to hear the reactions of many accounts for inflation is

of vital importance to the proper functioning of the capital markets," the Exchange argues.

However, the Exchange argues that the system of current cost accounting (CCA) put forward by the Committee, which is basically a development of replacement cost methods, does not take enough account of the interests of shareholders.

A primary aim of the Stock Exchange and a number of individual stockbrokers, to suggest that they should be amended to include more effective methods of measuring changes in monetary liabilities and assets.

The Exchange urges that if a steering group is set up to guide the introduction of inflation accounting, as recommended by Sandilands, "the representation on this body of investors, both private and institutional", be strengthened.

The Exchange urges that if a steering group is set up to guide the introduction of inflation accounting, as recommended by Sandilands, "the representation on this body of investors, both private and institutional", be strengthened.

The Exchange "will give full support to whatever system is agreed best serves this use and it emphasizes the need of adopting without delay a system of inflation accounting." The Government in turn is

waiting to hear the reactions of many accounts for inflation is

## Lockheed looks ahead to fuel-saving TriStar

MICHAEL DONNE, AEROSPACE CORRESPONDENT

REED OF the U.S. is studying improvements to its L-1011 TriStar airliner, which uses Rolls-Royce RB-211 engines, that result in savings of up to 10 per cent in fuel consumption, mid-1980s.

These improvements could be progressively applied to the TriStar design in the years ahead, thereby making it unnecessary for the company to commit vast sums for the development of entirely new types of aircraft.

Particular significance is attached by Lockheed to improvements in the Rolls-Royce RB-211 engine, which would make possible savings of between 3 and 4 per cent in fuel consumption. These included a new type of engine nacelle that only now is beginning to emerge from extensive studies on mixing of the exhaust gases.

These savings, in turn, are likely to be offset by the need to

flowing from the engine. Changing the shape of the TriStar wing, by adding a few feet to each wing tip, could improve performance and achieve another 5 per cent saving in fuel.

A third area of new technology involved the use of automatic sensors for the aircraft's controls—called "active controls". These would help to reduce loads on the wing during manoeuvres by the aircraft, and thus save weight in the structure of the wing, leading to a saving of about 4 per cent in fuel consumption.

A fourth area was the use of "composite" materials, such as carbon-fibre reinforced materials, in the tail fin, which would also increase structural strength while saving weight.

Asked about a meeting on October 20—when he was shown as having been present—Mr. Gay said he did not attend. About today,

## Europe textile chiefs bid for EEC support

BY RYHS DAVID

IMPORTANT economic, social, International Textile, Garment and technological grounds exist and this is a strong and viable textile and clothing industry in Europe, leaders of the British Textile Confederation, said the industry was seeking specific measures by the EEC, including full use of the GATT Multi-Fibre Arrangement.

In a document published yesterday and sent to the EEC Commission, they reject the view of the Community's that large sections of the textile industry could be transferred to the developing countries and want to see the Common External Tariff applied to all imports, except those from genetically developing countries.

The European producers also want to see the Common External Tariff applied to all imports, except those from genetically developing countries. "This involves withdrawing the European preference scheme for textile products," the document states.

The industry's views were outlined in Brussels yesterday by Mr. Alan Clough, president of Comiteextil, the co-ordinating committee of the textile industry in the Common Market. The committee has prepared the manifesto jointly with the European Association of Clothing Industries (AECH) and the European section of the Community's textile exports.

## Stonehouse family's grief over 'death' report

MR. JOHN STONEHOUSE's entry relating to November family reacted with shock and anger. "There was no such anguish to news of his 'death' meeting,"

a witness said yesterday at the fourth day of the committee proceedings against the Labour MP and his former secretary, Sheila Buckley.

In the briefcase, said Mr. Gay, was a letter relating to an agreement with the Garrett Corporation saying that the Corporation would pay \$25,000 for a project.

Mr. Gay said Mr. Stonehouse had told him of an agreement with the Corporation worth about \$5,000. It was when he saw the letter he realised the amount involved was \$25,000.

He had not been told at any time that the first half of this fee had been paid and there was no such record in the books of EPACS, said Mr. Gay.

Mr. Stonehouse, 50, faces 21 charges alleging forgery, fraud, theft and conspiracy involving a total of £171,000. Mrs. Buckley, 23, faces six charges of theft and conspiracy.

The MP is also charged with two offences relating to his statements about his financial situation when applying for legal aid.

The hearing was adjourned to

## September steel production down 19%

By KENNETH GOODING, Industrial Correspondent

THE U.K. STEEL industry continued to work at well below break-even levels in September. Output averaged 3,214 tonnes per week and was 19 per cent below the September figure last year.

In the first nine months of 1974 production averaged 388,600 tonnes a week, some 10 per cent below that for the same period last year and nearly 25 per cent down on the first nine months of 1973 when demand was strong.

Consumers and merchants are continuing to cut back steel stocks from the unusually high

### ACTUAL OUTPUT

|            | (weekly average: '000 tonnes) |       |
|------------|-------------------------------|-------|
| 1974       | 1973                          |       |
| January    | 395.4                         | 455.2 |
| February   | 413.7                         | 502.7 |
| March      | 419.9                         | 494.7 |
| April      | 459.7                         | 424.8 |
| May        | 440.1                         | 336.3 |
| June       | 480.5                         | 341.8 |
| July       | 399.2                         | 262.3 |
| August     | 406.1                         | 310.4 |
| September  | 446.3                         | 361.3 |
| October    | 457.8                         |       |
| November   | 452.7                         |       |
| December   | 402.7                         |       |
| Total Year | 22,426.2                      |       |

levels held in the early part of the year and the producers expect this trend to continue well into 1976.

The British Steel Corporation alone would, in more normal times, be looking for an output averaging 3,611 tonnes a week. The September weekly average for the whole industry was only just over 70 per cent of that target.

And the corporation says that, in some parts of its strip mill operations, output is still at only 50 per cent of capacity.

However, the tube division has not suffered as badly as some other parts of the business.

The BSC has already estimated its output will reach only around 17,500 tonnes in 1975, just over 10 per cent down on 1974.

## FACE-LIFT FOR WEST END ODEON

The Odeon Cinema in London's Leicester Square is to close for four weeks from November 19 for redecoration and modernisation, at a cost of more than £60,000.

It will reopen on December 18 with the premiere of *The Man Who Would Be King*, starring Sean Connery, Michael Caine, Christopher Plummer and Saeed Jaffrey.

Because of fears of sabotage—

attempts have already been made by the "Tartan Army"—

BP is remaining quiet about the timing and volume of the

Ekofisk, in the Norwegian

North Sea can claim to be the

first big oil discovery anywhere

in the North Sea. First drilled

in 1969, it has been in produc-

tion since 1971, using tanker

loading.

The completion of a pipeline

and terminal facilities in the

U.K. will enable the group to

build up production from the

Ekofisk Field and the surround-

ing fields of Tor, West Ekofisk, said.

## BP lands its first commercial N. Sea oil flow

By ADRIAN HAMILTON

BRITISH PETROLEUM has quietly piped ashore in Scotland the first commercial flows of oil from its North Sea Forties Field and is pumping it through the pipeline from Cruden Bay to its Grangemouth refinery.

The Phillips group said yesterday that it had started pumping the first flows of Ekofisk oil from the Norwegian sector through the subsea pipeline to its Teesside terminal. The oil will be arriving on-shore on Sunday before the official inauguration of the terminal plant on Tuesday.



Cod, Eddi, Eddi and Albuskell.

At peak production later in the decade, the fields, which are already producing 300,000 barrels a day, will be producing about 7,000,000 barrels a day of gas plus about 2bn cubic feet of gas a day, which is to be piped separately to the Continent through a line already laid to Enden, Germany.

The first supply of oil through the pipeline will be shipped back to Norway, where it will be used at the new Mongstad refinery on behalf of Norsk Hydro, a partner in the Phillips group.

A substantial proportion of the oil piped to the U.K. is expected to be refined within Britain, however.

Total investment in the Forties Field is expected to reach more than £700m, when completed and the total investment in the development of the Ekofisk and neighbouring fields is expected to reach more than £1.5bn.

## Wool textile industry lifts EEC sales

AN INCREASE in exports to EEC countries provided a bright spot in figures issued in Bradford by the Yorkshire-based wool textile industry.

The figures showed that overall export earnings in the first eight months this year dropped by 15 per cent compared with the same period last year to £140.9m. But sales of cloth yards and tops (combed wool)

to EEC countries rose 7 per cent to £32.6m.

The drop in overall export earnings reflected the world recession in textiles, a spokesman said.

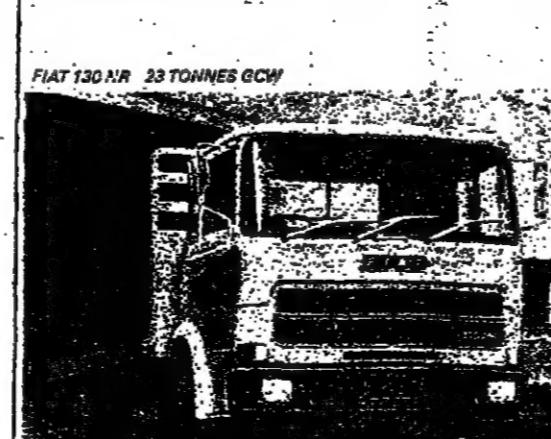
# We're helping to stop people complaining about trucks

At Fiat, we have found that we can serve both the public interest, and the special needs of truck operators, at the same time.

We decided a long while ago that the most important feature of every commercial vehicle we make must be near-perfect reliability.

Because a truck that breaks down on the road annoys other road users—and also causes its owner a lot of worry, and waste of time and money.

In our search for greater reliability, we have helped pioneer direct-injection diesel engines, dual



control systems, and many other ways to make trucks stronger, easier to maintain, and more efficient to operate.

And we have aided the community by making our trucks better in other ways too.

We have increased load capacities to enable fewer trucks to be used. And reduced operating costs to benefit both the operator and the ultimate consumer.

We have paid special attention to driver comfort, because we believe that a comfortable driver is a better driver.

And we have made sure that our power units are large and efficient to give full output without strain, and without undue atmospheric pollution. If you see a lorry labouring slowly up a hill, it's not likely to be a Fiat.

As a result, we now have a range of commercial vehicles that do more than offer the truck operator the qualities and economies he needs.

They also make life easier for other



road users, and for people in general, by getting on with their work quickly, quietly and cleanly.

We like to think that if every truck was a Fiat, everyone would be happier.

**FIAT**  
Commercial Vehicles



# Oil platform builders expect price-cutting

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

SOME U.K. CIVIL engineering groups, bidding for scarce new North Sea oil production platform orders, expect that intensifying competition for oil vacant construction berths next year is likely to result in a significant degree of price-cutting.

The search of platform orders this year is producing a substantial spare capacity in the construction industry both in the U.K. and Scandinavia. At least three Scottish construction yards—one for steel jackets and two for concrete gravity structures—are technically capable of starting work on four new platforms now. They are at Ardine and Portavadie, Argyllshire, and Methil, Fife.

There are, in addition, reportedly three vacant Scandinavian docks, two at Stavanger and one near Bergen, for constructing concrete structures. In the next six to nine months, further U.K. capacity will become available at Ardine—where the second of three docks is shortly to be vacated—and at Loch Kishorn in the West Highlands, and at Hunterston, Ayrshire, where a new yard is being prepared.

This follows a year in which orders for platforms have failed to reach anything like the levels Portavadie. Leased to the object—for the Ninian oilfield.

predicted by the Department of Energy last autumn, and in which the Government's share of future demand to 1980 have been trimmed by about a third.

U.K. contractors, notably those seeking orders for concrete structures, now acknowledge that price "under-cutting" may become a feature of the international competition for this business next year.

## Protection

It is clear that several of the groups, supported by trade union pressure, expect the Government to use its greater influence with oil companies to ensure that platform orders placed for the U.K. sector of the North Sea come to British yards. "We are looking for protection against the real possibility of price-cutting, particularly by the Norwegians," said the head of one major group.

For the Government, the failure of new orders to materialise about now has created a further growing embarrassment. It has spent more than £12m creating the first State-owned floating platform—claimed to be the "largest man-made floating platform" in the world.

The yard is building a 490,000-tonne platform—claimed to be the "largest man-made floating platform" in the object—for the Ninian oilfield.

# LRG says it will cut Durex prices

By Stewart Fleming

LRG INTERNATIONAL has agreed to reduce the selling prices and discount structure of its Durex contraceptive sheaths in line with recommendations made by the Monopolies and Mergers Commission in February.

Mr. Alan Williams, Minister of State for Prices and Consumer Protection, said in the Commons yesterday that the aim of the undertaking was to reduce the company's profits on home sales of contraceptive sheaths by approximately £425,000 in a full year.

The comparable profit figure for 1972-73, which was strongly criticised by the Commission, was £1m.

Mr. Williams said that LRG had undertaken to specify and publicise maximum retail prices for its principal brands of contraceptive sheaths and to make it a condition of sale that maximum prices should not be exceeded.

The maximum prices of the highest priced products would be reduced by 11 per cent, and medium priced brands by 21 per cent. Prices of the cheapest products would be held steady.

The new structure would come into force from December 1, and the company had agreed not to alter any of these prices without prior approval of the Director General of Fair Trading.

## Wholesale

In the light of the criticisms made by the Commission LRG had also undertaken to introduce a substantially revised and simplified wholesale discount structure which will give discounts from 50 per cent to 55 per cent according to quantity.

LRG said yesterday that the return on net assets employed in the manufacture and sale of contraceptive sheaths in the U.K. had been reduced to about 23 per cent, computed in accordance with the Sandlands Report recommendation, but inflation "has already done the Commission's work for it".

While the outcome of its negotiations with the Office of Fair Trading had been "tolerably acceptable", the company regarded the referral to the Monopolies Commission as "a waste of both public and company time and money."

The recommendations made by the six members of the Commission in this case were so obviously wrong as to call into question every judgment expressed in their report.



# Real growth in council's spending may be 5%

Financial Times Reporter

LOCAL AUTHORITY spending this year is likely to be about 2.6 per cent. higher in real terms than the level agreed with the Government last November, according to figures collected by the Controller of the Office of Public Finance and Accountancy.

The figures confirm predictions of overspending made by the Department of Environment, which led Mr. Anthony Crosland, the Environment Secretary, to call for a halt in the growth of local government spending next year.

CIPFA returns show that authorities in England and Wales anticipate that spending from rates and grants this year will be more than £11.2bn. The returns compare with estimates agreed with the DoE last November of £9.1bn, but the figure took no account of inflation or certain specific grants.

## No comparable

In real terms, the overspending is likely to be nearer in 2.8 per cent. higher, but strict comparison is not reliable as it is difficult to know exactly what assumptions local authorities have made about inflation in submitting their estimates to CIPFA.

Last winter the Government had assumed local government spending in real terms would rise by 4.8 per cent. in the current year and by around 3 per cent. next year.

In the Budget, the allowed increase for 1976-77 was cut back to 11 per cent. but Mr. Crosland subsequently declared that, as spending in the current year was likely to jump by 6.7 per cent., there was no room for further growth.

# Ryder tells State and industry to co-operate

By Our Industrial Staff

THE DRIVE to re-equip British industry could succeed only if it were accompanied by a change in the relationship between Government and industry and a change in the relationship between management and workers, Lord Ryder, chairman of the organising committee for the National Enterprise Board, maintained yesterday.

It was inevitable that there must be a close relationship between Government and industry and it would be in the country's interest if this relationship could be both constructive and stable, he told an American Chamber of Commerce (U.K.) lunch.

The N.E.B. could contribute to the relationship. "I am certain there are many companies which need to enlarge their equity base substantially in order to carry out the re-equipment and modernisation which is essential to their future viability. The N.E.B.'s main role will be to provide new equity capital in this kind of situation and also long-term loan capital in appropriate cases."

I should stress that the N.E.B. is not being set up to support unsound or uneconomic projects. Ventures of this kind will bring no benefit to Britain in the long term."

"In deciding which projects or investment programmes to support the N.E.B. will have regard to the likely return on investment which they will make to the national economy. Any proposal which comes before it will receive a critical scrutiny which will be quite as searching as that applied by any financial institution in the City."

As for the relationship between management and workers, in the Industry Bill the N.E.B. is charged with promoting industrial democracy in undertakings which it controls, Lord Ryder pointed out.

The first requirement, as all good managers know, is information. Employees at all levels ought to know what a company is trying to achieve and what this involves for them."

The second requirement is to harness the energy, experience and enthusiasm of employees by working out ways of doing job not just of the company but also for their livelihood."

# Rolls-Royce East Bloc jet deal

By Michael Donne

Aerospace Correspondent

AN agreement has been reached between Rolls-Royce (1971) and the state aircraft manufacturer of Romania and Yugoslavia for the manufacture under licence in those countries of the Viper 650 Series jet engine for a new aircraft, the Ora (Eagle).

Viper engines for the prototypes have already been supplied. The twin-engined light fighter and ground-attack aircraft first flew late last year. It is expected to be ordered in quantity for the air forces of Romania and Yugoslavia.

Details of the deal remain secret, but it is expected to bring substantial royalties to Rolls-Royce (1971).

# Government will consider newspaper's cash plea

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

THE GOVERNMENT yesterday agreed to give "very urgent" consideration to an appeal for a fresh capital injection by leaders of the Glasgow workers co-operative facing a financial crisis which threatens the future publication of its five-month-old Scottish Daily News.

Three leaders of the co-operative, led by the paper's editor, Mr. Nathan Goldberg, yesterday met Mr. Bruce Millan, Scottish Office Minister of State, in its all-Scotland morning paper sales.

The paper needs a minimum of £50,000 to prevent closure, while attempts to strengthen its part of its security on the Albion Street printing premises, thus its currently non-viable declared releasing potential collateral for a circulation of 175,000 copies a week. It admits to losing £15,000 a week.

Mr. Millan last week informed Mr. Robert Maxwell, chairman of Pergamon Press, who invested £14,000 in the venture and who beyond the £1.2m. loaned to the renamed two weeks ago from the project when it was launched by his position as chief executive of ex-Beaverbrook workers in May of the paper. Mr. Maxwell, who

promoted vigorously

Mr. Nathan Goldberg, yesterday met Mr. Bruce Millan, Scottish Office Minister of State, in its all-Scotland morning paper sales.

Mr. Millan is expected to consider the suggestion made by the co-operative is that it should seek new finance to launch a Glasgow-area evening edition with which to supplement its all-Scotland morning paper sales.

It also proposes that the part of its security on the Albion Street printing premises, thus its currently non-viable declared releasing potential collateral for a circulation of 175,000 copies a week.

Both these proposals have been

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## BANKERS AT MANSION HOUSE

## THE CHANCELLOR OF THE EXCHEQUER

# We have made some real progress in last year, says Healey

REAL PROGRESS had been made in some fields in overcoming the domestic and international problems of the past year, Mr. Denis Healey, the Chancellor, said last night.

Mr. Healey, speaking at the Lord Mayor's dinner, said, however, that the underlying problem of the depth of the world recession had turned out even more formidable than had been anticipated.

To a certain extent the present world recession reflects conscious decisions by individual governments to give priority to restraining inflation and to correcting payments imbalances at the cost of higher unemployment. I think it fair to say, however, that miscalculation has played a part in some of these decisions.

"Some inflationary measures have now been taken by those countries whose balance of payments permit it. The important question, of course, is whether these measures will ensure that the world economy will recover soon enough.

## Progress

"The answer, I believe, is a tentative 'yes.' Evidence now available on the second quarter of this year suggests that the sharp decline in the GNP of most industrial countries may now be bottoming out.

"As the rate of de-stocking diminishes and the new measures begin to take effect we should see a fairly rapid recovery in the world economy and world trade during the course of next year.

Turning to our own economy, it is appropriate to start with the balance of payments, where our progress over the last nine months speaks for itself. In 1974, the current account deficit reached almost £3 billion—around 5 per cent of GNP. In the first half of this year import volume fell sharply but exports held up well, despite stiffer competition in the face of declining markets."

The improvement could not go on in the second half, Mr. Healey said: "Even so, it looks as if the deficit this year will be under half that of last year, despite continued heavy imports of both goods and services for the development of North Sea oil.

"Nonetheless, the balance of payments remains a serious constraint on our freedom of action at home. We are bound to run a current account deficit for some time to come, and for many years we shall carry a heavy burden of international indebtedness.

"Our creditors will take a close interest in the way we manage our domestic affairs, and their attention will be concentrated above all, on our rate of inflation.

"By the middle of 1975 this was running at about 25 per cent a year. It had become the root cause of all our immediate economic problems and its source lay within our own control. The agreement last July between the Government and the TUC has created the conditions in which we can master it.

The effect of the new incomes policy on the rate of inflation

The PSBR were taken "in the do not think it would be desir

able, at a time when the economy will not be seen until next year.

uncomfortable knowledge that

we have made it clear that I

# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHREYER

## POWER

## Hot turbine works harder

ATER COOLING allows a development model turbine to be twice the power of conventional designs. If the UHT project is successful, it is expected to be followed by additional design and development work. At this component test phase, a long-term goal of the EPRI project is to provide electric utility with a lower cost and more efficient base-load power plant by the late 1980s.

The experimental 3MW single-stage turbine has been operating in the 2,800-3,500 degree F range, with inlet pressures of more than 250 psi and tip speeds of 1,780 feet per second.

The idea behind it is that allays will be used in gas turbines to reach their temperature limits. Thus, to attain even higher performance, turbine designers must either find new materials or develop

more effective methods for cooling the alloys.

With the water-cooled approach the blades could be constructed primarily of nickel-based superalloys, rather than the exotic new high-temperature materials now under development. Moreover, the problem of metal corrosion would be lessened, since the alloys will be cooled to temperatures where hot corrosion from fuel contaminants is reduced substantially, while deposits would continually be washed away.

Initial application of the water-cooled engine would be in a combined-cycle power plant, where it would be joined with a steam turbine for base-load and mid-range power production at about 50 per cent efficiency, compared to today's 43 per cent.

The market is huge since U.S. electric utilities will add some 70,000-MW of new gas turbine generating capacity during the 1980s. If UHT turbines are available and the power is generated by combined-cycle UHT gas and steam turbines, more than 30m barrels of fuel a year will be saved.

GE is at 1 River Road, Schenectady, N.Y. 12301.

## PROCESSES

### It's glue n edging trip

OWN AS the Evo-Stik thermocat, a reel-to-reel hot melt coating machine has been introduced to enable manufacturers in the furniture and woodworking industries to coat materials for subsequent assembly with Brantid or jar heat bonding machinery.

The machine uses a range of resins, including Evo-Stik, Thermofin Hot Melt, and rates at a standard coating speed of 40 feet/minute either as single or multiple reel-to-reel of Common Road, Stafford (0785 3181).

## PACKAGING

### Cutting out glass jars

PAL saving on labour, packing, spare parts, transit and packing costs for one well-known manufacturer, currently using 8 oz jars to pack instant emerges could be in the region £750,000 per year if a move made to a lined, carton box. This estimate is based on a box-on-an-annual average usage of 20m jars.

pharmaceutical manufacturer trying out the packaging equipment reported a saving of 25 per cent against the cost of conventional containers, on the cost alone.

per and board division of Metal Box, which has the license to manufacture in the U.K. of these carton systems, Wmstet and Ceka-goss further, and says that 1 carton can offer savings up to 50 per cent compared to glass, and give an excellent shelf life.

With Hermet and Ceka lines, and using Metal Box, the company can offer two types of closure. Prices for the boxes range from £10.00 to £40.00, and the company says that two major orders in negotiation.

tection

ifferent types of liners are available to meet individual protection requirements for protection against transfer of moisture and dust. Oxygen sensitive products can be filled using inert flushing and vacuum techniques.

pack to contain motor oil garage forecourt dispensing already been developed and is in use in Scandinavia, while 1 litre wine packs are currently being evaluated. With

the liquor packs at least 15 per cent more product can be held in the standard case.

As a replacement for existing types of container or for marketing a new product the division has developed a large, die-punched aperture carton with a wide range of compatible closure features.

Acceptance by retailers of this could be hastened by its space saving abilities. It is estimated that 32 refill lined carton packs can be displayed in the same shelf space as 24 8-ounce glass jars.

Equipment for filling powders, granules and piece type products into these packs, dosing from 1 ounce to 12 lb at speeds up to 75/min, dependent upon the product, accurate within 1 per cent, is made by Autopack P.O. Box 2, Malvern, Worcs, WR14 1DB (0884 61651).

The Autopack equipment can be used in conjunction with the Metal Box packing machinery, including the inert gas purge.

The latest machine, which includes accurate weighing and volumetric dispensing of the product, as well as a nitrogen purge of the pack, and maintenance of a nitrogen atmosphere in the product hoppers and conveyor lines, has been supplied to Cadbury, where it is used for packing Smash. The gas purge, which removes 99 per cent of the atmospheric oxygen, extends shelf life of the product by about six months. The machine costs £20,000.

Metal Box has, meanwhile, announced the Hermet 10 semi-automatic cartoner, which has a modular design allowing the machine to be adapted for many production requirements. Filling, auto-ejection and on-machine filling are some of the options available.

Metal Box, Queens House, Forbury Road, Reading RG1 1JH (0734 581177).

## PRODUCTS

### Offer hydraulic blocks

TO be the first advance in design for many years is a device incorporated in the five Stop Hydraulic range produced by Tangye Epcos, 19 Street, Great Birmingham 2NH (031-722 2211). It is used to prevent overstroking, as well as overloading, of the locking jack maintenance lifting ram-packing.

The mechanism comprises a ring with two springs, a lock bar, and a blow-off valve. Operation the split ring is held in groove in the piston, and is into operation when the reaches the end of its stroke. It expands into a groove in cylinder liner, the lock ring is released and oil flows through blow-off valve into the tank.

traditional designs the ram is only restrained under normal pressure by one lock joint, while the new system has the polycarbonate dust cover around the circumference of which snaps into position to protect the relay.

high pressure relief valve which only permits pumping to the correct load.

Capacities range from 20 to 70 tons.

## ELECTRONICS

### Flat-pack relay

LOW-PROFILE relays that allow printed circuit boards to be mounted only 1/4 inch apart have been introduced by AMF/Potter and Brumfield, Whitley Road, Bristol, BS4 4AZ (0274 778383).

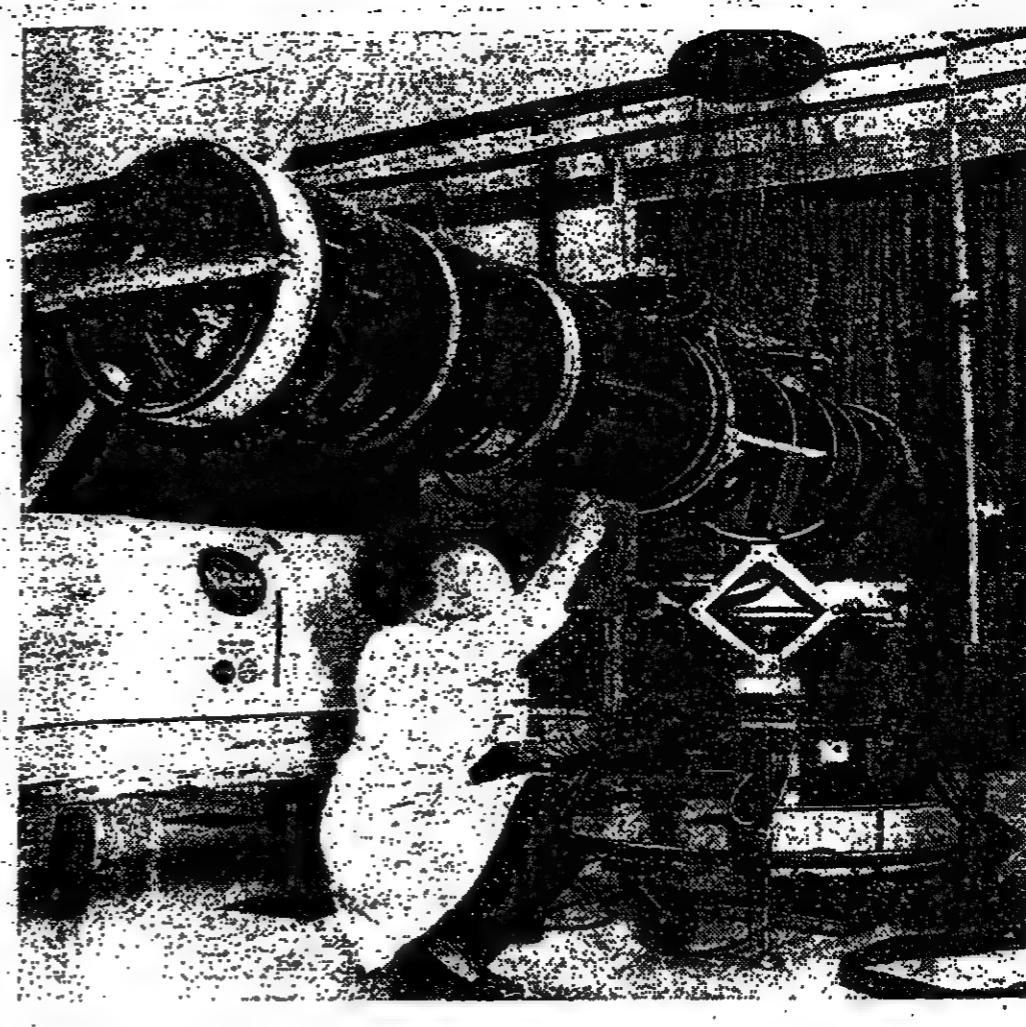
Called the T10, the relay has a maximum height of 0.375 in (9.5mm) when mounted. Contacts are gold-clad and arranged as four-pole double throw with a current rating of 3A at 30V dc.

Low contact bounce and extremely long life are claimed. The operate and release times are less than 15ms, including bounce.

Coil voltages range from 6V dc. to 45V dc. in standard steps and coil power is less than 800mW for all models. Overall dimensions when seated are 1.82 x 1.48 x 0.375 inches including the polycarbonate dust cover around the circumference of which snaps into position to protect the relay.

## RESEARCH

### U.K. rocket aids space probe



DUE TO be launched from Woomera, Australia, next April, a British Skylark research rocket will carry an X-ray telescope from Marshall Space Flight Centre as part of a joint Mullard Space Science Laboratory/NASA experiment. The 17 feet (5 metre) long payload has been prepared by British Aircraft Corporation, Electronic and Space Systems at Bristol and shipped to the range. BAC payload engineer Jacky Whitting is shown in the picture on the right, adjusting the Skylark's control system electronics. It will be sent to a height of some 162 miles (260 km.) well clear of the earth's atmosphere. Its purpose will be to produce an energy level map of X-radiation emitted by the Puppis-A supernova remnant, which astronomers think may have at its centre a neutron star or pulsar. A supernova is an extremely rare exploding star whose brightness may increase many thousands of times during the explosion, releasing a gas cloud which expands at over 6m. miles per hour.

The launch will be carried out



## • COMPONENTS

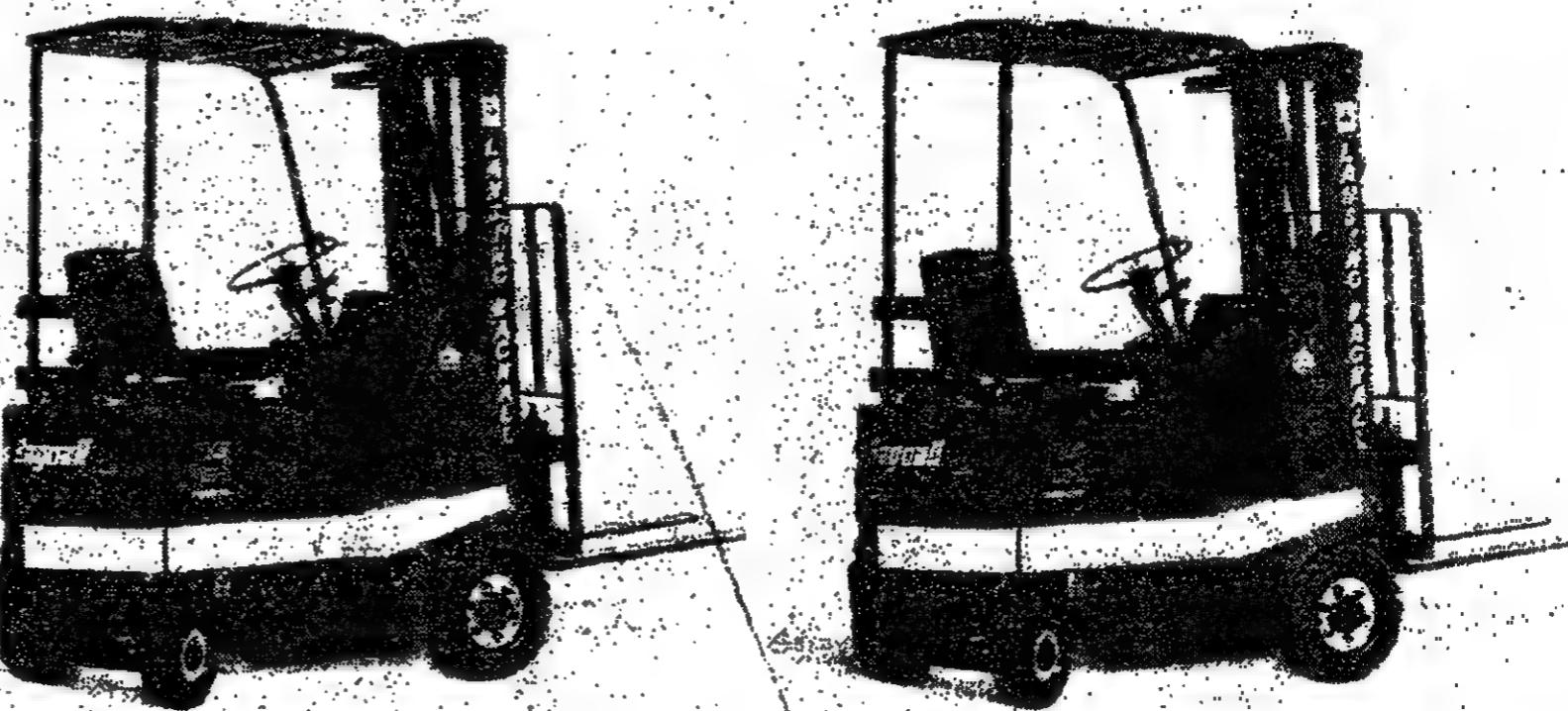
### Mullard to look after Signetics

FOLLOWING THE acquisition of the Signetics Corporation by the United States Philips, there is now the clear responsibility for all Signetics sales operations in the U.K. is to be taken over by Mullard from November 1.

In London, yesterday, Mr. J. C. Ackerman, Mullard managing director said that the new arrangements put his company "back into the industrial integrated circuit business" and that Mullard now intended to become a major supplier in this field. Similar moves vis-a-vis Signetics are taking place in other Philips components companies.

Concurrently, "multi-million pound" investment at the Mullard Southampton plant will make it compatible with the Signetics operation in Sunnyvale, California, which it is claimed will be the largest manufacturer of MOS memories outside the U.S. In addition a revised integrated circuit marketing group is being set up for Signetics products and all other Mullard industrial ICs.

# Even this year you can afford new trucks.



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Perhaps you didn't realise that new trucks do not necessarily mean new capital expense.

Perhaps also, and most understandably, you have decided that your present equipment is adequate for the time being.

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Without charge or obligation on your part, we will advise you. We will send a fully trained and experienced Lansing Bagnall Engineer to examine your machines and your methods.

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If they are appropriate to your needs, he will confirm it to you.

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handling equipment, a company that has overcome more handling problems than any other in Europe. And it can include advice on how best to renew equipment if needed: with available Tax allowances, leasing can cost as little as around £14 a week.

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See that someone calls us in soon; and that you get a copy of what we have to say.

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Good news in a tough year.







## FINANCIAL TIMES REPORT

Friday October 17 1975

KRONOSPAN  
LIMITEDCHIPBOARD  
MANUFACTURERSTHE COMPLETE CHIPBOARD  
SERVICE TO THE BUILDING  
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TELEX: 35353Associate Companies:  
A.G. Fur Holzindustrie,  
6122 Menznau,  
Switzerland.Holzindustrie M. Kaindl,  
Postfach 77, A5021,  
Salzburg, Austria.Bitter  
taste to  
success  
story

WOOD CHIPBOARD has been the success story of the U.K. timber trade in recent years. Sales have risen in a spectacular way year after year, as the result of chipboard making great inroads into the furniture and building markets in particular.

But although chipboard sales are still going up even during these depressed times in demand for timber generally, the chipboard industry is faced with acute problems.

A vicious price war has broken out as a result of a

large surplus of supplies chasing too little demand, and producers generally are suffering heavy losses on very expensive investments. As one producer put it: anyone claiming to be making a profit out of chipboard at present is a liar. This may be putting the situation somewhat bluntly but it does reflect the general situation in the European industry where it is calculated that existing production capacity exceeds demand by at least 30 per cent and it is reckoned, that it will take at least two years to bring supply back into line with consumption.

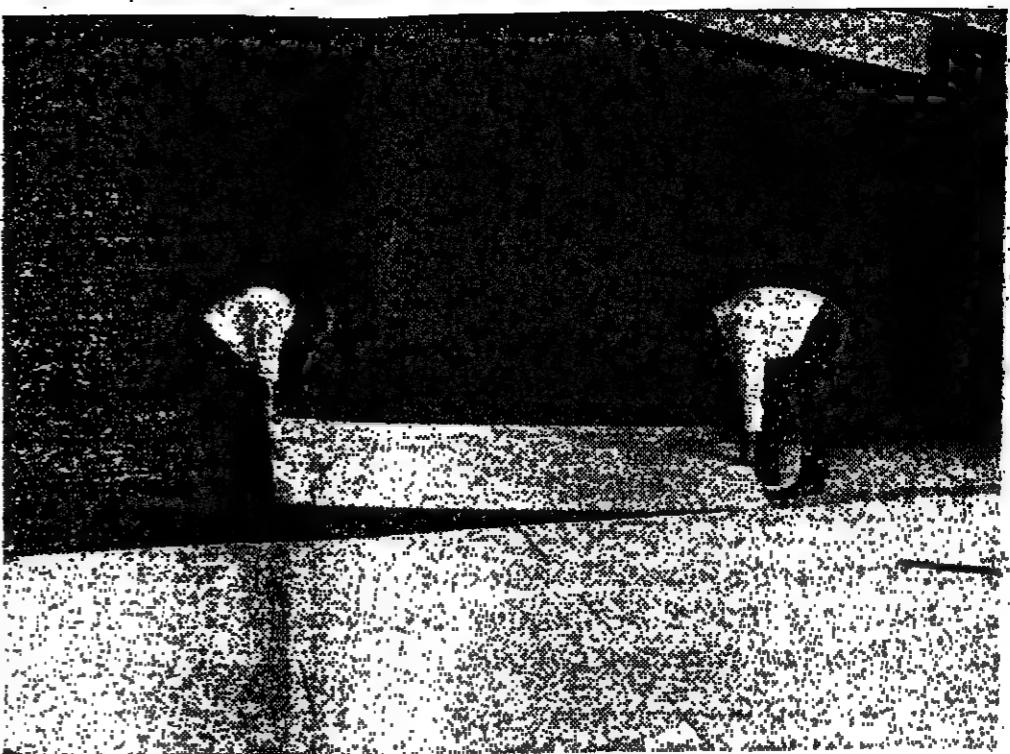
## Imports

In the meantime selling prices, in a reluctant buyers' market, have now fallen back to January 1974 levels, despite the huge rise in production costs since then, as British manufacturers have been faced with a flood of cheap price imports for timber generally.

Perhaps dazzled by the tremendous growth in demand

broken out as a result of a

as the material of the future.



Laying a floating chipboard floor.

individual market sectors. In other words, manufacturers can be claimed, the furniture industry suffering heavy losses. It is tailored to specific end uses, has held up remarkably well in fact that chipboard supplies bearing in mind of course that chipboard is a mass production product. But its adaptability, are serious doubts as to how the future, since the long this can be sustained. Some people feel that furniture sales must be badly affected once the cutback in wages in real terms against inflation of essentials, such as food and clothing, really begins to bite in Britain. Others point out that there are always doomsday forecasts for furniture sales, which fail to materialise.

The ability to adapt to new uses is an important asset to the future of chipboard. The timber trade as a whole has been badly hit by the depressed state of the building and construction industry—its main sector would have a serious impact on sales and possibly be

## Furniture

Since furniture accounts for some 30 per cent of chipboard sales, any setback in this

John Edw.

exciting development in the

utilises to a large extent

material from joinery work

forests that would otherwise

have been wasted. In a

increasingly pre-occupied

the depletion of raw material

generally, this is an im-

portant asset for the future

shortages of timber are

to recur.

Nevertheless chipboard

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CONTINUED ON NEXT PAGE

## Melineate

The British produced  
Melamine-Faced ChipboardAvailable in White, Wood Grains and Colours.  
Full size sheets or partially fabricated.No shipments or currency surcharge problems  
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## Areas of new use

ESTABLISHED SINCE 1973 as the sheet material with the largest market share in Britain, wood chipboard seems destined to retain and even further dominate its traditional application areas in furniture and building, as well as break into new fields. For some uses market growth depends simply upon an increase in volume demand, while in the newer application areas large scale penetration depends on acceptance and technical quality.

The best way of discovering the next market moves for wood chipboard is to look at industries coming under scrutiny from the chipboard marketing men. Ask the Chipboard Promotion Association, for instance, to identify the markets of the future, and in the light of the new improved chipboards now coming on the market they will talk first about agriculture.

The market for farm buildings, extensions and improvements is regarded as the largest untapped market for chipboard, and is quite separate from the general construction and building sector in which chipboard is better known.

Improved moisture resistance, a feature of the new chipboards, is a key factor in the efforts now being made to break into this field. The size of the potential is certainly borne out by the figures. Last year the total investment in farm buildings in the U.K. was, according to CPA researchers, £160m. Of this, only £25m. went on completely new buildings and £70m. on maintenance, with the balance accounted for by extensions and improvements to existing buildings. It is in the latter area, particularly in view of the current economic climate, that represents the main potential for chipboard.

## Techniques

Materials such as asbestos, metal and plastics are well established in the new buildings field, where the structures are prefabricated and the manufacturer has established his techniques and tooling for working with the materials.

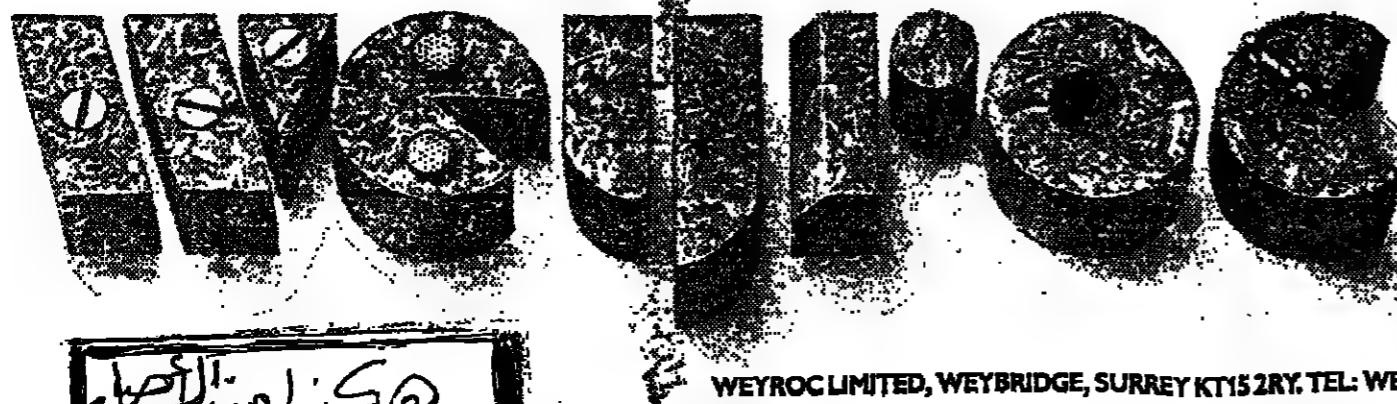
Farmers are having a rough time at present, particularly in areas like dairy and beef farming which make great use of buildings, and they are not investing as heavily as before in new structures, preferring to add extensions to existing buildings themselves. For the average farmer, materials like asbestos, metals and plastics are difficult to work, whereas a material like chipboard that he can cut, fix and paint without trouble may well prove attractive — particularly now that some weather resistance can be offered. It should be remembered, too, that the agricultural building tends not to have the 60-year life expectancy of the domestic house market. Only a ten-year life may be required.

Chipboard is Weyroc. It's the increasingly favoured sheet material that's been saving money at a time when building costs have been going through the roof. Small wonder Weyroc is one of the outstanding success stories of the building industry in recent years.

High quality Weyroc is easier and quicker to use than more expensive wood, ply or blockboard.

And it comes in a variety of practical forms: Teegee 4 tongued or grooved flooring, ready-primed and sanded Painting Grade as well as decorative, maintenance-free Melamine covered Weydec.

Pursuing a 'Weyroc policy' makes sound, swift, economic sense. And that's true whether you screw, nail, saw, plane, drill or glue it—as any profit-minded builder today will tell you.



Fall to  
high qu

# Fall in demand leads to mill closures

THE CURRENT economic depression which is affecting all the Western European countries has had a catastrophic effect on the producers of wood chipboard. From the late 1960s there has been a huge investment in manufacturing facilities and even if demand had reached the forecast levels the industry might have found itself having to strike a difficult balance between demand and overproduction; the slump has meant that demand is now running some 33 per cent below production capacity, according to the European Federation of Associations of Particleboard Manufacturers. (Particleboard is the generic term used for all chipboards which can be made from materials other than wood, for example, flax shives, bagasse, the residue of sugar cane, and many others). The result is that every mill is producing board at a loss, and all the signs of a depressed industry are manifest.

## Cabinet

One of the industry's basic problems is that profit margins have always been tight. This has its roots in the origin of the product. Most of the early development work was undertaken in Germany during the second World War with the object of replacing solid wood and the image of an "ersatz" wood product has tended to cling ever since. But to-day's product is an essential raw material in its own right, the mills in which it is produced represent an investment of fairly hard. The Finnish forest this year. Since then price

millions of pounds each and products manufacturers concerned have fallen even more. The latest trade statistics particularly the cabinet side of the furniture industry, could not exist without chipboard.

The slide in price levels began about a year ago when consumption in Germany began to fall. As might be expected in the country which did most of the early work on the material, Germany has always had a very high per capita consumption and therefore any fall off in consumer demand for the products which use chipboard in their manufacture is immediately reflected at the board mills. Germany was also an importer, taking quantities both from the Scandinavian countries and in particular from its fellow EEC member, Belgium. The Belgian mills soon felt the effects of the German recession and when they looked round for other markets they focused their attention on the U.K. which faced with a dilemma. About two years ago it decided to traditionally had bought the chipboard not supplied by its home mills (about half the annual consumption) from the Scandinavian countries. In the ensuing price war every producing country suffered and the stage has now been reached when mills will probably close permanently rather than continue producing at uneconomic levels. Indeed this process has already begun—in Belgium three mills have closed in the last few months and in the Scandinavian countries, after extended holiday shutdowns Romania, which is currently standing fifth in the list of other curtailment in production, rumours are rife of an impending closures.

Sweden, which is the U.K.'s third largest supplier, arrived later on the chipboard scene but the state owned forestry conglomerate in that country, Statens Skogsindustrier, is faced with a dilemma. About a large mill at Laxa: this is now well advanced and is due to come on stream next summer. Chipboard mills are complex things and usually take about a year to shake down into full production; even so unless the depression lifts the industry generally must view with increasing disquiet the addition of yet another major source of supply, especially since the mill is traditionally disposed of at "running-in" production of a mill at particularly keen prices.

Finland has been hit particularly hard. The Finnish forest this year. Since then price

traded on chipboard in the early and it is reported that the which cover the first seven days whereas the Swedes were Romanians have applied to have months of this year, show that looked upon as fibre building the order rescinded. The state board producers. Finland needs produced Romanian board has held up well. Very little stock.

industry soon suffered. One European timber product producer, Heinola Fanerfabrik, has always

opened a Mende mill to marketed its board in large

a year ago, representing an investment of the Flammkunst

equivalent to £2.5m., has been taken over in a rescue operation by Ense Gutzeit, another

forestry concern in which the state has a majority holding. If

prices continue to be depressed it seems inevitable that similar

operations involving other producers will follow.

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# The Executive's World

David Bowick explains to James Ensor how he is

## Trying to run a railway

THE MANAGEMENT of the railways has taken quite a battering of late. Well-publicised estimates of massive and rising losses, fare increases, labour difficulties and setbacks to the Advanced Passenger Train have combined to create an impression of managerial incompetence. However understandable such a reaction, it is unfair to the British Rail team, headed by Mr. David Bowick, which has been struggling intelligently and manfully against almost insuperable odds.

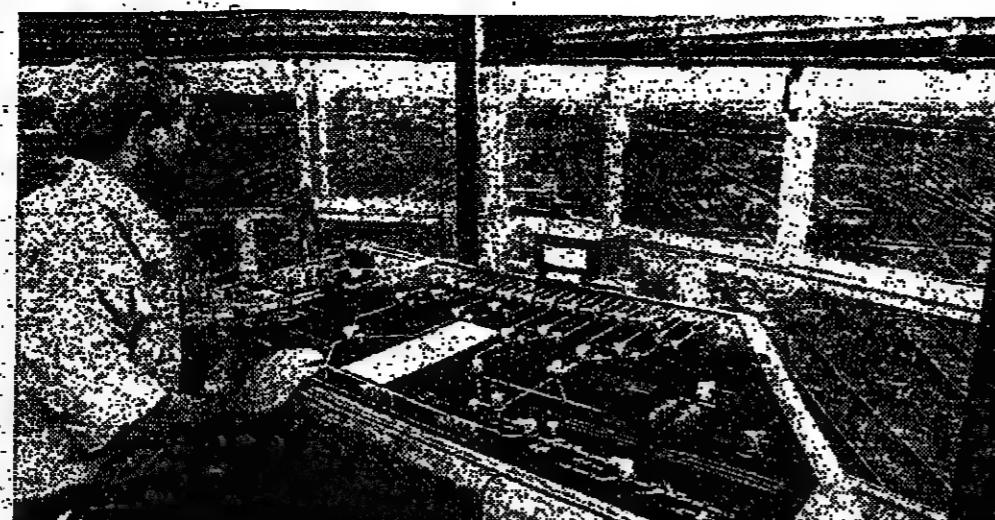
Railways can be made to make money—as the example of the Southern in the United States shows—or they can be made to fulfil a key part in the national transport pattern—as Japan's Tokaido line does. But they cannot do both and satisfy the demand of outlying provinces for a regular train service and of London commuters for cheap travel to work, as well. Too often, the railway management, working under intense political pressure, infringing powerful and lucrative unions, and operating a goldfish bowl of public discussion, have been unable to nose one consistent course of action.

This does not mean that Mr. Bowick, a shrewd Scotman and a third chief executive of British Rail—and as points out a longest-serving to date—does not have a plan. Rather, he appreciates the political subtlety of outflanking grandiose national plan, which then becomes an 'Aunt Sally' for union leaders and politicians to shoot.

"We are not," he says, "falling into that trap." Progress in streamlining the railways and adapting them to modern requirements is inevitably slow, not only because of political interference and the need to look after the livelihood of men who have spent a lifetime in the industry, but because progress, investment and the money has been lacking.

### Strategy

With the Government paying £50m. during 1975 to support a passenger railway, and British Rail trying to stem its amorphous passenger losses by raising fares by a full 50 per cent during the year, there has been little cash to spare for other services. As Mr. Bowick's "interim strategy" requires investment to increase productivity, to improve profitability, to play a bigger part in the National Transport Plan, "there should be such a thing." But he adds, "In the inter-term, we have had to spot that it is a blizzard situation and that we have to operate within our cash ceilings." He continues, "During 1975-76, we set our stall out to contain passenger support at the same level in constant money values." Next year, too, then we must expect at least a couple of substantial price increases as the



British Rail should save thousands of wagons by using its TOPS computer to make up freight trains.

Board tries to balance its revenues and its costs on passenger traffic. The more recently provided for, the more people away from home increases have led to some railway system. Studies made London to new regional head offices of traffic and next year, as during the Railways Policy Review, suggest that cutting complaints about unnecessary times to rise in real terms, parts of the system reduces uprooting of staff. Ideally, there must be more. This, of course, gives British Rail a too, thus reducing the overall traffic over the main line routes, particularly on some of the commuter lines—has drawn strong public and union protest. Yet in itself, it will do little to solve the railway's dilemma.

Closing down more branch lines and eliminating the duplication of main routes, will have to achieve much higher productivity. At present, the competing companies would save some costs, without much diminution of the services. As Mr. Bowick says: "It is no good sitting here thinking that God is a railwayman and that everything will go on as before. There is nothing sacrosanct about the present size of the railway system and it is arguable that money spent supporting duplicated main routes and peripheral branches might achieve the social and political objectives more economically than they were paid to bus companies."

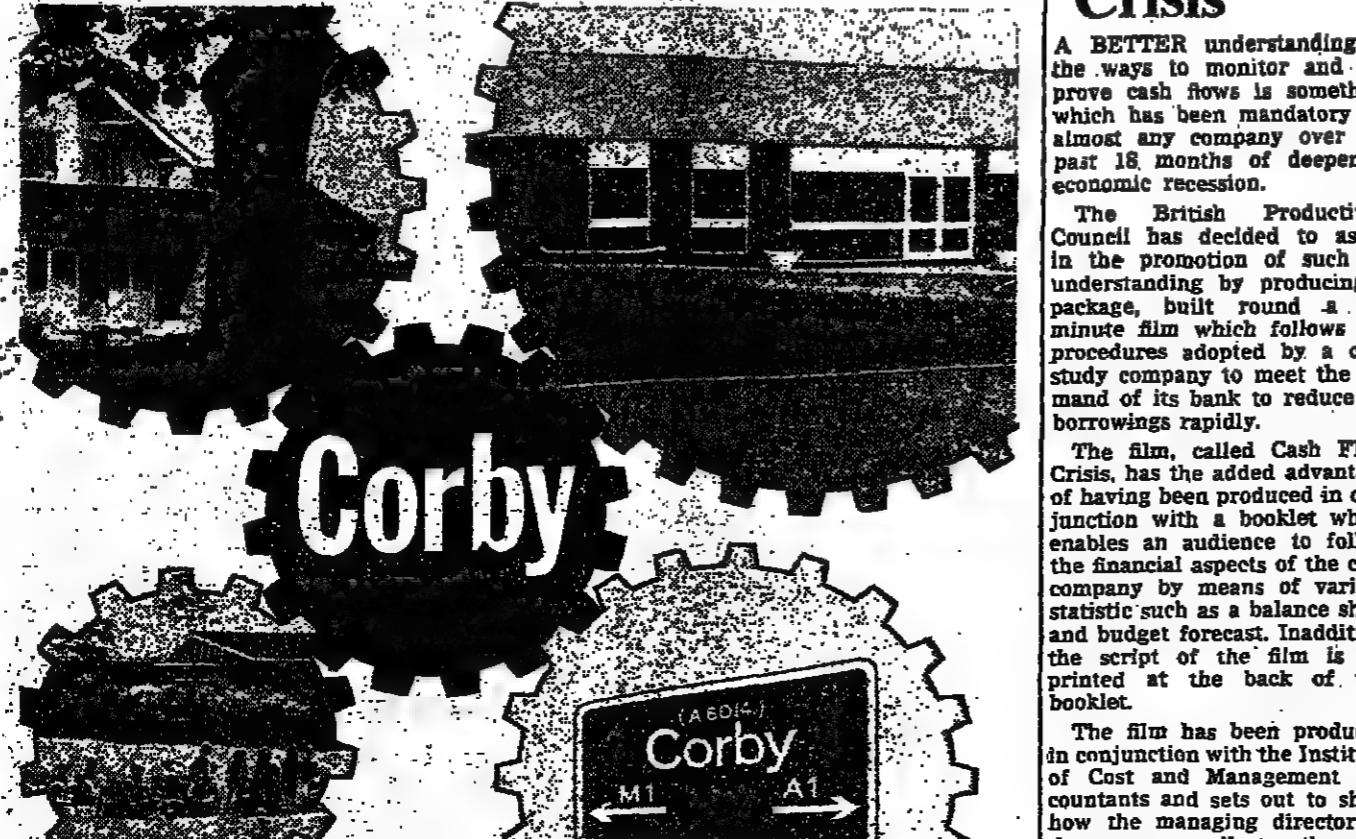
The peripheral lines west of Shrewsbury, north of Invergordon, in East Anglia, and in the far South-West generate and receive very little freight. They have little regular, year-round passenger traffic and it is arguable that the summer tourist traffic would be better served by a more frequent bus service. Mr. Bowick accepts that the question of branch lines is a political question. Already MPs representing the outlying regions are banding together to attack British Rail, although no plan for closures has been prepared. But so long as the small interests of minority groups are allowed to overcome rational discussion of the economics of the railway system, BR is unlikely to be really efficient.

An ambitious plan to streamline the railway's operational

revenues and its costs on passenger traffic. The more recently provided for, the more people away from home increases have led to some railway system. Studies made London to new regional head offices of traffic and next year, as during the Railways Policy Review, suggest that cutting complaints about unnecessary times to rise in real terms, parts of the system reduces uprooting of staff. Ideally, there must be more. This, of course, gives British Rail a too, thus reducing the overall traffic over the main line routes, particularly on some of the commuter lines—has drawn strong public and union protest. Yet in itself, it will do little to solve the railway's dilemma.

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- \* Good schools
- \* Pleasant countryside plus ample leisure facilities
- \* Splendid shopping
- \* 25 years' experience and a great desire to help.

Copies of the film can be hired from the Central Film Library, or purchased at a price of £150, plus VAT, from the British Productivity Council.

EDITED BY JAMES ENSOR

Nicholas Leslie describes how a group of BICC managers from all over the world have been learning

## The gospel from Lake Windermere

TO LOCK AWAY 16 people in policy determined by the parent and the aim was to make each to determine performance

virtual exclusion and subject them to three-week management development course, the

schedule for which in the main embraces a 13-hour day is taking a bit of a gamble not only on the resilience of the "students" but also on being able to hold their attention with a sufficiently interesting prospectus.

Mr. Jack Finkler, personnel development manager of the central personnel relations department of BICC, the large cables and industrial group formerly called British Insulated Callender's Cables, feels that success has been achieved with such a course, an opinion which seems justified by the reaction of the course members.

The three-week programme, held at an hotel on the edge of Lake Windermere, in the Lake District, has just finished. Those attending were drawn from the U.K., Canada, Australia, South Africa and Rhodesia. In addition, a senior assignment officer with the Hong Kong Government, seeking to study management services techniques, joined the BICC course.

While recognising the autonomy, Mr. McCleery felt that there were benefits to be derived from bringing together for the first time within BICC people from different countries to enable a dialogue to be established. This presented the opportunity for information and ideas to be exchanged on all subjects such as management organisation, marketing and technology.

It is clear also that education in the ways of BICC—its philosophy, practices and techniques that they managerial, technical or marketing—was a motivating factor.

But, as Mr. Norman Constantine, chief training officer of central personnel relations, insists, the aim is management development with the hope of broadening the base of those attending the course. "We are not trying to say to them: 'This is BICC U.K. technique, which you must accept and apply.' We merely teach, discuss and give our experience and tell them that when you get back to your civil engineering division, what you can relate this to your

needs."

The length and intensity of the course—both somewhat outside the norm—were felt necessary to cover all the points operating in accordance with each participant was a specialist in his field.

### Group

Under those changes, four new group companies were set up beneath BICC Limited, the parent company. They were BICC Cables, BICC Industrial Products and BICC International, together with an existing company, Balfour Beatty and Co., which comprises the civil engineering division. What this heralded, among other things, was a development of responsibility and authority of the course—both somewhat outside the norm—were felt necessary to cover all the points operating in accordance with each participant was a specialist in his field.

There were three distinct phases, the first week embracing a course for first line managers, an aim which Mr. McCleery had in mind when he first put forward the idea but which presents difficulties in being able to get such senior personnel together for three weeks. It is nonetheless clearly felt that this should be achieved if the system is to realise its greatest

potential to benefit from the syllabus.

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# The sting in the tail of the Lords

E are faced, it seems, with an institutional crisis." Now that the Commons has voted a Lords amendment to the Trade Union and Labour Relations (Amendment) Bill, the Government will go back to the next week for a second, and since a majority of the Lords can be expected to remain in the House of Lords, the Government will be in a week or two with a between bowing to the Upper House or the Parliament Act and the Bill through next

last is a prospect which will stir the blood of unionists and politicians in a ingenuous or antiquarian mind. It has, after all, led only three times since 1911 when it was passed. The first sessions were in 1914 the Liberal Government's Welsh Disestablishment and Irish Home Rule entrenched opposition Conservative peers; and it was 1949 when the were invited to acquiesce curtailment of their own powers and subsequently declined to co-

social

two other occasions in recent history, the Lords girded themselves for in 1968 when they're to pass an Order for sanctions against Rhodesia and in 1969 they tried to amend a Bill the Labour Government proposed the re-distribution of Parliamentary seats ended by the Boundary

Commission. But these were relied upon to perform these functions without too much fuss or difficulty.

Nevertheless, it needs very little obstruction or indeed positive action of any kind from the Upper House to produce violent atavistic reactions from Labour politicians. In fact one of the few things on which virtually all the present Cabinet is instinctively agreed is that the Lords in their present form are at best an irrelevance and at worst an offensive nuisance to be swept aside as soon as anyone feels it worthwhile spending time and energy on the project.

## Balance

In the event of trouble, therefore, the only question to be settled in the minds of a Labour Cabinet would be the balance between nuisance value and the time available for squashing it. There is no particular difficulty about over-riding the Lords. Since 1949 their delaying power is very limited and in this instance Mr. Michael Foot is at liberty to re-introduce his Trade Union Bill right at the beginning of the new session next month and he is allowed to put it on the Statute Book by the end of the year. He probably could not find the Parliamentary time for meeting out punishment to the recalcitrant peers next year but a fine brouhaha would certainly be created on the lines of Peers v. People and Democracy v. Piratical Press Lords. The Upper House could probably expect real retribution a year or so later either in the form of a minor burden of the legislative process from the backs of the hereditary peers to sit or the Commons and because it's not so overwhelmingly Conservative, removal of the last delaying power as it once was, it can be a power, or both. It would be a



Freddie Mander

Lord Carrington, leader of the Conservative peers: a cautious and moderate man.

pleasant bonfire bouche for the Labour Party in the last 18 months before a general election. When a government often does not know how to keep its supporters happily occupied.

It is, of course, precisely this prospect, or something like it, that has restrained the Lords from exercising their powers to the full for so long. The paradox of their position ever since 1911 has been that their right to delay can exist only so long

as it is never used. Like the Labour Party in the last 18 months before a general election, they know this, the Lords may well decide to enforce this Pyrrhic victory.

The reasons are complex. It is partly, I believe, a question of a changed sense of proportion. It has taken a long time for the consequences of the 1949 Act and the introduction of life peerages to sink completely into the consciousness of the Upper House but, as the entertaining quotations in Dr. Janet Morgan's elegant study *The House of Lords and the Labour Government 1964-1970* (OUP £3) show, most peers now have a fairly modest and realistic view of their place in the scheme of things. Many would doubtless regret the final abolition of the delaying power but without feeling that this had deprived them of all useful functions. Probably only a section of the Conservative peers would violently resist the banishment of hereditary colleagues from their midst. This being so, the price that has to be paid for a worldwide demonstration of principle can be regarded as much more tolerable. In other words, it is a new facet of the old paradox that the less power the House has, the more it is likely to use what remains and in these circumstances the whole idea of a "constitutional crisis" in the old sense loses its meaning.

## Frustrated

A more specific cause of the present "crisis" is partly political pressure. The Lords are not, in fact, as insulated from the rest of the Palace of Westminster as they sometimes seem. The Conservative peers have been as frustrated as their counterparts in the Commons during this last year and as anxious to demonstrate their desolation of various pieces of Government legislation. Their leader, Lord Carrington, is a cautious and moderate man who lived through the furies of the late 1960s in the same position and other things being equal would no doubt prefer to demonstrate vigorous Opposition

without coming to the crunch. But he must calculate that he cannot hold in his troops on all fronts—Clay Cross, the Community Land Bill and others as well as the Trade Union Bill, and prefers to let them have their say on the last because it will do least damage to the position of the Upper House in the eyes of the public. Clay Cross might have filled the bill if the Government had not been defeated in the Commons but the Land Bill, having been in Labour's manifesto is hard to resist.

Lord Goodman's amendment to the Trade Union Bill, originating as it does from a cross-bencher and raising, as it does, a fundamental constitutional question like Press freedom is certainly the best bet.

In a political structure that is completely dominated by the two-party system it is only in the House of Lords that such non-partisan voices get this kind of opportunity; and in a political situation where the two-party system is under increasing criticism those who have access to this opportunity are under increasing pressure both from conscience and from events to exercise it whatever the retribution may be.

## Safety valve

This concept of an Upper House which is a kind of "safety valve" for the two-party system will be resisted both by the party politicians themselves and by those who want a radical reform of the party system and therefore prefer to tie the safety valve in place. But it has a respectable lineage. The ideas started by the committee under Lord Bryce, set up during World War One, about giving regional representation in the House of Lords and ideas contained in the abortive attempt at reform in 1968 have even more resonance today. Richard Crossman, who was defeated on this issue because fundamentally his colleagues did not want an effective Upper House, would I suspect have been in sympathy at this stage with another attempt at working out a viable alternative to the present system which did not simply encapsulate the party game in Another Place. Whether such a long-headed view can survive in the carnivorous world of Left and Right ideology in which we live is part of the question of whether we can learn how to save our system from collapse.

## Letters to the Editor

### Employment of resources

I refer to the letters of Mr. Matthews, Mr. A. W. and Mr. Hugh Parker (3, 6 and 10), on the themes of under-investment, inadequate profit margins, rising low productivity, decline of our engineering industry.

I recently began a postgraduate study into the performance of engineering companies in the U.K., U.S., Europe and Japan, to try to discover what is that is distinctive about British companies apart from price. Was there, perhaps, a thread running through industry which could explain its poor showing in the league? I looked off preconceived notions, personal bias. The were that we perform cause of inadequate investment and over-manning, as told for years. The that we do not take account of the dynamics of management. My key findings are as follows:

Engineering, excluding oil, for every £100 sales compared with the U.S., U.K. 6 per cent less, but invested 36 per cent in inventories. In contrast, we used 97 per cent fixed assets and 10 per cent more in oil and in mechanical engineering, 10 per cent less in oil and 45 per cent inventories. If we had at the same inventories in the U.S., we would have 11.1 per cent less working capital. The need to have been used to oil, less than West Germany. Their inventories are identical, but ours were 10 per cent higher. At U.S. levels, our working capital would have been less, and our sales far

### Investing in success

From Mr. D. Mitchell, MP.

Sir—Your leader of October 9, "Investing in Success," refers to the handicap faced by small firms through lack of adequate resources. How right you are, but this is only part of the problem which concerns both resources and motivation.

With inflation running at current and foreseeable rates, the majority of businesses will require virtually a pro rata increase in working capital to cover stock, work in progress, debtors, repairs and renewals, depreciation and the thousand and one items which make up the running costs of a business. The higher stock costs (if they can be afforded in the first place) may be allowed—temporarily—against corporation tax, but for all the rest the small firm faces the need for more resources at the same time as tax is taking more out of the business.

Your leader suggests that the Government now proposes to channel its assistance to industry through the NEE, the Industry Act and the Budget.

Small businesses do not want subsidies, neither the cash of the NEE nor the kiss of the Industry Act. They need the Chancellor's Budget to take less cash out of their business.

The owner-managers who run them also need early reassurance that the wealth tax will not force them to take more out in order to meet this new debilitating liability. My own research confirms the latest CBI report (October 14) that the Government's present proposals will have a disastrous effect on the economy.

The need is clear, but has the Government the courage to do what is required?

David Mitchell  
House of Commons, S.W.1.

### New wheels on old wagons

From Mr. J. Nichols.

Sir—Professor Merritt and Mr. Sykes' article in Wednesday's issue on the Sandilands Report is the same ring of self-righteousness about it that is the hallmark of all commentators on inflation accounting who support the recommendations of the

Academics and financial experts may argue about the merits and demerits of the two lives systems but the practical man will view with reserve any inflation accounting system that shows a near insolvent company in a better light than one with ample liquid resources. Both current cost accounting and current purchasing power are far more than the former, produce glowing balance sheets for highly geared companies with crippling fixed interest costs.

CPT does this by both devaluing monetary assets held, and inflating the historical cost of fixed assets, while CCA uses only the latter measure. It seems that replacement values of fixed assets or capitalised future earnings of fixed assets are of purely academic interest when fixed interest charges on borrowed money produce trading losses, the end result of which will be poor performance, not insolvency.

It is unlikely that CPT or CCA will be "right" so long as the precision. The only "accurate" account any company produces

to be all things to all men. It is the final report of the liquidation should be recognised that the date!

Gerald Hansard, G. Hansard and Associates, 85, Linton Crescent, Leeds.

### The final accuracy

From Mr. J. Edwards.

Sir—Recent correspondence on the Sandilands' proposals illustrate one aspect of the problem which I face when assessing the value of any item of accounting or management information, namely—Who is it for? "When will he get it?", "What will it tell him?", and, "What useful action might he be expected to take as a result of it?" In other words there seems to be a need for the restatement of the purpose of accounts now that they have clearly gone beyond the mere report to the record straight.

The truth is that, despite being the largest U.K. manufacturer of hotelware, offering five product ranges to cover the entire spectrum of catering requirements, we were neither invited nor, I am assured, were we even considered as potential suppliers for this significant contract.

As Mr. Dunn must surely know, Dunn Bennett was, in fact, asked to quote, not for this special service for the House of Commons dining room but for an urgent requirement to balance stocks of existing ware at the canteen. We secured this order for 2,000 tins in fine hotel chow, which was delivered on time.

In light of this order for tins which, even without significant discount, was reasonably competitively priced, it is difficult to understand why we were not invited to quote for the special dining service.

No doubt lessons have been learned and a more sensible tendering procedure will be adopted in future.

Richard J. Bailey, Stoke-on-Trent.

### No substitute for meat

From The Press Information Officer, National Federation of Meat Traders.

Sir—A "captive audience" of school children with unopposed palates may well not understand the reason for the very feeling in their minds of often eating textured vegetable protein as substitute for meat in their school meals (Amen and Matters, October 14).

Nevertheless, parents and local authorities contemplating such a substitution should heed the recent findings of the Food Standards Committee in its Report on Novel Protein Foods," published this year.

Despite vegetarian claims about nutritional value, the impartial Foods Standards Committee pointed out that soya protein lacks iron, thiamin, riboflavin and vitamin B12, all of importance in the diet of young children, old people and members of large families. This aspect was also stressed by Mr. Roger Henderson, prosecutor in a recent case in which a company was fined more than £1,000 for marketing a soya protein product in packets containing pictures which looked like meat.

He also said, "there is a new problem affecting many people around the country. If you eat vegetable protein, you are not eating the same thing as animal protein—the essential amino acids are missing."

L. A. T. Moss.

### GENERAL

Mr. Stanley Orme, Minister of State, Northern Ireland, chairs meeting of industrialists and trade union representatives to review Ulster economic situation, Stormont Castle.

Franklin President, Giscard d'Estaing expected to hold second meeting with Soviet Communist Party leader Leonid Brezhnev at end of four-day official visit to Moscow.

Mr. Denis Healey, Chancellor of the Exchequer, and Mr. Peter Shore, Trade Secretary, attend Cambridge Town Society.

Mr. Anthony Crosland, Environment Secretary, speaks to district

### Today's Events

and county Labour councillors, Liverpool.

Sir Murray Fox, Lord Mayor of London, attends Society of Merchant Venturers dinner, Bristol.

National and Local Government Officers Association conference, Liverpool.

House Builders Federation conference, London.

International Air Transport Association traffic conference on future fare-levels ends, Nice.

Joint study group of BSC executives and steel union leaders continue visit to Japan.

Birmingham Chamber of Commerce, trade mission continues tour of South Korea.

PARLIAMENTARY BUSINESS

House of Commons: Debate on EEC agriculture, including common agricultural policy, the Green Pound, markets, wheat, milk products and fisheries.

OFFICIAL STATISTICS

Retail prices index (September).

Crude steel production (September).

COMPANY RESULTS

Commercial Union Assurance (third quarter).

International Combustion (Hold-

ing) (half-year).

Austin Reed Group (half-year).

COMPANY MEETINGS

Diploma Investments, Great Eastern Hotel, E.C. 1145.

Howard and Wyndham, Edinburgh, 12.

MUSIC

New Philharmonia Orchestra, conductor Stanley Pope, play Tchaikovsky's fantasy overture Romeo and Juliet, Beethoven's symphony No. 2, and Brahms symphony No. 4, Royal Festival Hall, S.E.1, 8 p.m.

Martino Tirimo gives third recital in complete Schubert sonata series, Purcell Room, S.E.1, 7.30 p.m.

## The Economist EIU Intelligence Unit

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# COMPANY NEWS + COMMENT

## Over £1m. growth seen by Martin-Black

WIRE ROPE manufacturers Martin-Black is expecting profits for 1975 to be in the region of £2.5m, compared with £1.4m. last time.

Including an increase in exceptional gains, first half profit has expanded from £711,250 to £1.24m; and despite a current reduction in order intake chairman Mr. J. E. Arnold will be "disappointed" if, second half profits fall below those now reported.

Mr. Arnold says an appreciable portion of first half profits has again risen from overseas interests and from mechanical equipment and engineering subsidiaries in the U.K.

Recent intake of home orders shows a downward trend and this can be expected to continue under present conditions. Offshore and general export trade has continued to expand substantially and, in the aggregate, amounted to more than 60 per cent of total sales from the U.K. Offshore orders are still being maintained "very satisfactorily" with substantial deliveries scheduled as far ahead as 1977-78.

In general export trade, however, there has been a distinct reduction in order intake since the beginning of the year, due largely to the still heavy order load and extended delivery dates, and in part to the downturn in industrial activities in some overseas markets.

Sales and profits of the Canadian subsidiary are well ahead of the budget and the same period in 1974. However, due to current recessionary conditions, order backlogs are a thing of the past, and the second half is likely to suffer until general conditions improve. Despite these problems, dollar earnings from Canadian and other North American subsidiaries for the year should still not be less than the record achieved last year.

Half-year 1975 1974

Turnover £2,624,215 4,184,309  
Depreciation 104,441 82,365  
Interest paid 64,913 62,433  
Excise and credit 102,421 102,446  
Profit before tax 1,238,200 2,240,403  
Taxation 649,500 377,330  
Attributable 182,400 279,000  
Retained associates 24,000 15,000  
"Gains on exchange 104,011 (88,446) and stock profits 117,400 (122,000)

First half earnings are stated at 11.60p against 6.51p per 25p share. Treasury permission has already been received for a dividend of 4p net on capital increased by the May rights issue, and the directors are paying an interim of 1.75p (1.725p). The 1974 final was 1.425p.

Mr. Arnold says prospects for 1975 are difficult to evaluate. Nevertheless, unless there is further serious deterioration in the current economic conditions at home and abroad, "we face this coming year with considerable confidence."

### comment

Although Bridon's half yearly results, published a month ago, were slightly lower at the pre-tax level it was stated that worldwide demand for wire rope remained at high levels. Martin Black is almost totally committed to this sector—unlike Bridon which is being dragged down by less buoyant areas—better results were expected. Even so, a 10 per cent jump in first half profits on a 30 per cent gain in sales must be most expectations. Once again Offshore orders have been extremely strong and indeed are being maintained. However, there has been some recent drop in UK orders but then delivery dates were getting a bit stretched. In the meantime the share price at 108p yield 6 per cent. Statement Page 6

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| Bellair Cosmetics | 21   | 1    | London & Montrose     | 21   | 3    |
| Bowthorpe         | 21   | 1    | Martin-Black          | 20   | 1    |
| Canning (W.)      | 22   | 4    | Midhurst White        | 20   | 5    |
| Centre Hotels     | 22   | 1    | Muar River Rubber     | 22   | 5    |
| Chamberlain Group | 22   | 6    | Pressac               | 20   | 8    |
| Christie-Tyler    | 21   | 1    | Ramar Textiles        | 20   | 8    |
| Edinburgh Invest. | 28   | 8    | Root Harvesters       | 21   | 2    |
| Ellis & Goldstein | 20   | 2    | Scottish Mortgage     | 21   | 3    |
| Erith & Co.       | 20   | 5    | Scottish TV           | 20   | 3    |
| General Scottish  | 21   | 2    | Sears Holdings        | 20   | 7    |
| GHP Group         | 21   | 6    | Stimma Group          | 21   | 1    |
| Harmo Industries  | 20   | 4    | Stilo Shoes           | 22   | 8    |
| Helene of London  | 22   | 3    | Supra Group           | 20   | 6    |

interim dividend. The last payment was 1.47p net for 1973.

### comment

Scottish Television's 9 per cent rise in advertising revenue compares with an ASA average of 14 per cent by 20 per cent, until the 19-day strike STV's revenues were in line with the sector. Meanwhile, expenditure has risen by only 9 per cent, and that includes a £63,000 increase in interest charges to £66,000 as a result of borrowings incurred in the development of the new £1m studio opened last December. The over-draft now is evidently lower than the £1.5m of the last accounts, which compared with shareholders' funds less goodwill of £2m. Since the half-year, advertising in July was above average due to the resumption from the June shutdown, and Scottish also reckons to have taken in a particularly good September. So, the year-to-date is probably running closer to the sector's 14 per cent than to its 20 per cent. The year-to-date is too early to tell, but STV seems confident enough even though the bank of interest is not available for calculation of the figure. At 16p net the market worth is £3.87m.

## Upsurge at Harmo to £0.92m.

HIGHLAND is a quarter lower profit excluding investment disposals, and at this stage in the whisky cycle a recovery in earnings is not going to materialise this year. Sales of new brands are down, something like 15 per cent, and though continued turnover has slipped it has encouragingly held up better than for the industry as a whole. At the same time Highland's working capital pressures are mounting. Stocks are 30 per cent up over the year at just under £10m, and group borrowings are now in excess of £4m, against August 1974 shareholders' funds of £9.9m. At 108p the shares yield 6.5 per cent—covered 16 times.

However, for the current half year there is a likelihood that profits will not match the £1.53m achieved in the comparable period last time.

Chairman Mr. David Cannon explains that there was some slight down in sales towards the end of the first half, and though continued turnover has slipped it has encouragingly held up better than for the industry as a whole. At the same time Highland's working capital pressures are mounting. Stocks are 30 per cent up over the year at just under £10m, and group borrowings are now in excess of £4m, against August 1974 shareholders' funds of £9.9m. At 108p the shares yield 6.5 per cent—covered 16 times.

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## COMPANY NEWS

## Increased business for Centre Hotels

TRADING to date in the current year of Centre Hotels (Cranston) has been satisfactory, with a substantial improvement in turnover, reports the chairman, Mr. H. J. Edwards.

But margins are still being affected by increases in overheads, although a recent tariff adjustment should restore the year's timetable.

The fact that reasonable profitability was maintained last year in the face of all the difficulties "augers well for the future," particularly when it is considered that over 40 per cent of total capacity has yet to reach full potential.

Mr. Edwards says demand for the group's establishments is still increasing, and margins should be restored fully in 1976 if normal trading conditions return and the rate of inflation is reduced significantly.

The substantially increased investment in the Netherlands is highlighted by the Amsterdams Centre in Amsterdam. Along with the Glasgow Centre Hotel in Scotland, it is now fully operational and both have been well received.

Improvements to bring the Birmingham and Leicester hotels fully up to standard are now virtually complete, and they should increase their turnover substantially—especially after the opening of the National Exhibition Centre in February. The new centre hotel will be open in stages towards the end of the year and should be fully operational by May.

At March 31, capital expenditure of £363,000 had been committed and there were further authorisations of £1.34m. A number of medium term loans have been arranged until long-term financing, including sale and leaseback deals, can be resumed.

Fixed assets reflect an independent valuation on the freehold properties that have thrown up a surplus of £1.75m. Net asset value is a "very conservative" £3.3p per share.

## BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually for the purpose of considering dividends. Official notices are available to see whether dividends considered at meetings or finals and the sub-dividends are shown below. It is based mainly on last year's timetable.

TO-DAY

Intertel: Beaver Group, Bishopton

Trust, Cheshire Consolidated, Corby

Gascoigne, L. L. Lincoln, Lovell

Drillers, Marks Bros, Metco, Austin

Reed, E. Upton

Finsbury Goodman Brothers and Stock

Holdings, Lovell Investment, Research

Telecom, Cheshire, Sharples, Tilley Lamp

Willows Francis

FUTURE DATES

Intertel: Associated Biscuit Manufacturers Oct. 13

Chapman's Oct. 13

Reed Executive Oct. 13

Smith (W. H.) Dec. 20

Swindon Radio Oct. 20

Trotter, Nisbett and Milburns Oct. 20

Willow Drummond Oct. 20

Amended

the favourable impact of lower dollar costs for supplies, the level of domestic prices allowed by the French authorities was insufficient to take full advantage of depreciation allowances.

The recent rise in the dollar, combined with higher crude oil prices, will mean a sharp worsening of second half results unless increased domestic prices are authorised, the company warns.

REPORTING first-half pre-tax profit down from £523,000 to £495,300, the chairman of W. Canning and Co., Mr. A. R. Houseman, tells members that the outlook is obscure and the company will do well to maintain the level of profit in the second half.

But the group is poised to take advantage of any resurgence of business, he adds. Profit for the year 1974 was £1.14m.

New plating processes have been developed in the research laboratories. The new bright nickel process, Nisol 50, is proving particularly successful, together with a nickel tin alloy process known as Ferroval 50.

With the increasing accent on preservation of the environment, Pollution Control is well placed to increase its share of the market, Mr. Houseman says, and action has therefore been taken to expand its activities.

First-half earnings are shown to be down from 25p to 21.5p per share. An interim dividend is held at 4.4p net—last year's final was 22.5p.

Chairman Mr. M. Burkeman again points out that the first six months' figures are not fully indicative of the full year results, since second half profits normally exceed those of the first because of the favourable influence of Christmas trading.

In his annual statement last June Mr. Burkeman said that, barring unforeseen circumstances, he expected a further rise in profits this year. The net asset balance for 1974 was £52.3m on a 50p per share basis, although higher in monetary terms were lower in volume.

This with increasing costs coupled with the extraordinary item caused by the abortive takeover bid from Norvic, depressed the profit before tax.

However, in the light of general conditions the results for the half year can be considered adequate, he says.

Continued strict control of stock levels and progress payments for a number of large plant

orders has resulted in liquid re-

sources showing "a substantial improvement" on the overdraft position at the end of 1974, and "indications are that this improvement should continue."

The chairman says it has become increasingly evident that for the parent to provide a better sales and service and increase profitability it is necessary to restructure the organisation.

Accordingly, separate profit re-

porting units have been formed within the parent organi-

sation which should lead to much greater efficiency. It is also con-

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should be strengthened by the appointment of a finance director

and a marketing director with world-wide responsibilities. Both these posts are in the process of being filled.

Turnover in the year ended March 31, 1975, came to £12.57m (£11.41m.) and profit was 50.77m (£1.22m.), as reported on August 27 with the 1.04p dividend.

Meeting: West Centre Hotel, Little Road, S.W. November 18, at 11 a.m.

## French Shell first half break-even

Shell Francaise S.A. reports that it broke even in the first half of 1975, compared with a profit of Frs.1.25b. in the same period last year.

The company says that, despite

first half earnings are shown to be down from 25p to 21.5p per share. An interim dividend is held at 4.4p net—last year's final was 22.5p.

Turnover up from £3.6m. to £4.2m., first half taxable profits of Helene of London (leisure wear makers and retailers, property developers, etc.) have improved from £20.546 to £22.037.

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# The Property Market

BY QUENTIN GUARDHAM

## Empty rates ruling may bring relief

The Court of Appeal case of *Ravenseft Properties v. Newham London Borough Council* may well have shifted the balance of the empty rates argument a long way in favour of the landlord in cases of new buildings and major refurbishments. For all those with near completed blocks and few inquiries, this is one piece of good news in a week when developers needed some. The Stock Market, better again yesterday, did not really need the rumours about particular companies to mark the sector down earlier in the week; just thinking about the figures from FNFC work to some interesting possibilities.

In this case it was October, 1974 when the council served its notices on the largest (103,000 square feet) of three blocks in the Stratford Centre, London E15. The centre has been developed by Ravenseft in partnership with the Borough of Newham since the early 1980s. The shopping side—91 shops, five major stores—is very successful and when the Post Office wanted to take all three office blocks it looked as if councillors and the rating officer's view is that this is a one-off judgment, not a precedent. The dispute continues where it began, at Bow County Court, where on November 18 the borough will again try to return to the council, an agreed return for Ravenseft, and then a sharing of the remainder.

With its agent John D. Wood, the Representative Body reckons it has to be "enticed" into property at the moment, keeping much of its available funds in the money market. Its property criteria are much the same as a pension fund's, except that all investments have to produce good current rent income—"You can't

Government Act 1974 much extended the councils' options and mind. The surprise tenant for world's attention with the sale of Bush House in 1972, is still active on a smaller scale. It is the Trust Company of New York, the not really looking for another U.S. bank to move East of Bush House, since that represented a big chunk of its property portfolio when it bought the City for a major block.

The bank said it would take two years to instal all its security and communications facilities. The asking rent was £6.50 per square foot and it is thought something like £2.5m. in 1974 and the freehold for £2.5m.

That letting sets a standard for the other two blocks, 60,000 square feet opposite the Theatre Royal, and lightning on the high street front of the long-term investors like

now reached the stage of being structurally complete but separate from the Church Commissioners since the Anglican Church in Wales was disestablished half a century ago, has done well financially through a finance committee astutely lead

for many years by Mr. David Vaughan, a Barclays Bank director. He retired a year

ago, Mr. Raymond Cory taking his place. But where Bush House and other successes

helped stumps and "put us ahead of the indices" as the secretary says, the Welsh Anglican clerics have lately had to suffer eroded incomes again.

With its agent John D. Wood, the Representative Body reckons

it has to be "enticed" into property at the moment, keeping

much of its available funds in the money market. Its property

criteria are much the same as a pension fund's, except that all

investments have to produce good

current rent income—"You can't

pay clergymen out of revenue interest."

So the latest acquisition, for approaching £1m., is Westmoreland House, Durrington-on-Sea, Sussex (which passed briefly through intermediary hands after Westmoreland Properties sold it for about the same amount). The entire property, containing about 30,000 square feet plus extensive garaging, is let to the Department of the Environment. Initial yield is about 7.5 per cent.

John D. Wood has suggested the church should go back into anything else in Central London since the Bush House sale. But additions have included the Parkwood Shopping Centre in Rainham, Kent, bought for £650,000. Mercury House in Bradford, bought for £1m., and the only overseas investment, an office block in Hunter Street, Sydney, bought for £200,000. Those three deals go back a couple of years, and another Northern office block plus a Hackney warehouse let to Unilever have been other purchases.

The Representative Body

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lever have been other purchases.

The Representative Body

is the church should go back

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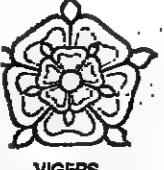
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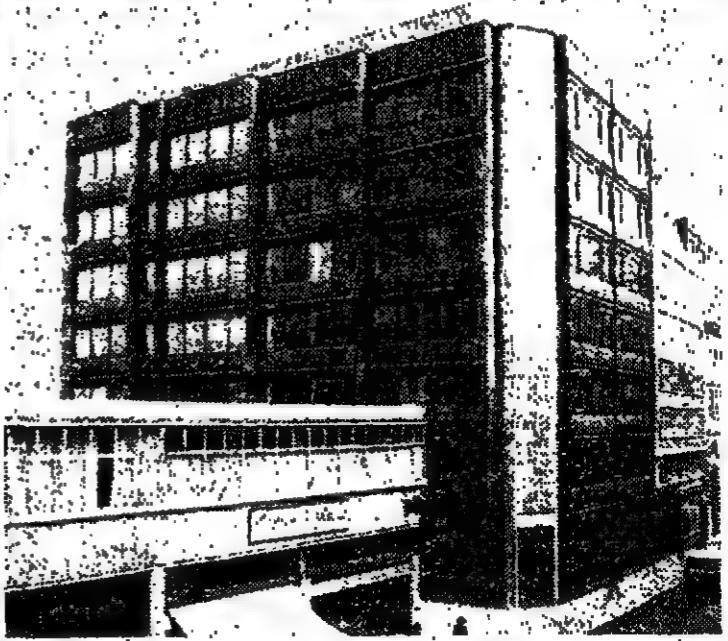
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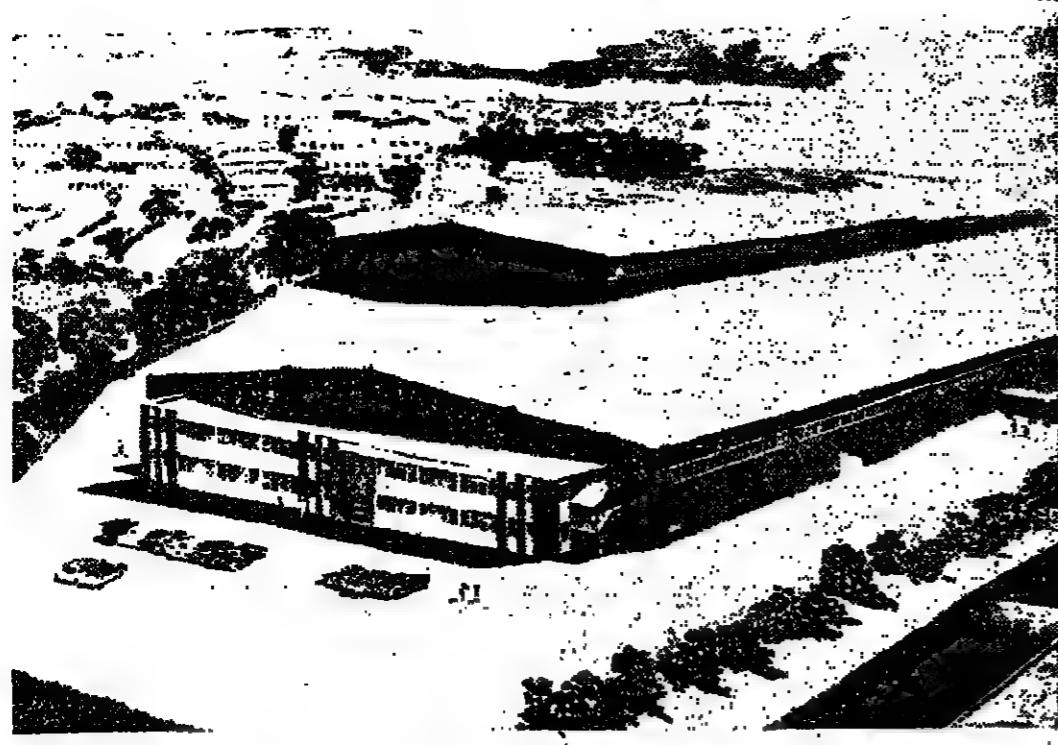
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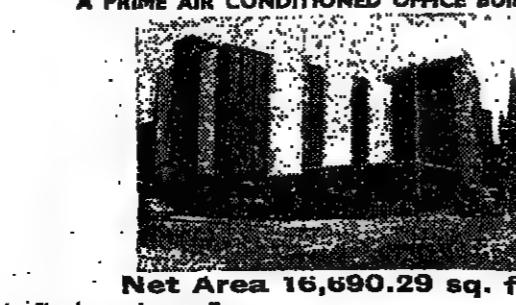
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Ref. C.V.

**FREEHOLD OFFICES** 516,000 square  
feet, 6,000 sq. ft. per office, 5th &  
6th floors, 51 C.V. 01-600 2277  
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**FREEHOLD OFFICES** 516,000 square  
feet, 6,000 sq.

## POINTMENTS

## Lloyds Bank group executive post

F. W. Crawley has been appointed a joint general manager of LLOYDS BANK after his return from Lloyds Bank Calif. and has been seconded to a Bank International as an executive director.

J. A. Howard has been appointed manager of the finance investment division of TITAN CONSOLIDATED from October 1.

Ian B. Lang has been appointed to the Boards of HISON and CRAFT and HENDERSON AND CO.

C. B. Forgan has been appointed a director of SEL-INVESTMENTS.

A. J. Simonian, managing director of W. H. Cork and Co., has been appointed a director of SEL SAGE AND CO. He will be financial adviser to the company.

Guy Negeleboers, of sis, has joined the Board of

ANTONY GIBBS REINSURANCE BROKERS.

M. L. C. T. Cottrell is rejoining PROPERTIES as an additional executive director.

Mr. J. B. Thomas has been appointed to the Board of the KENNING MOTOR GROUP.

M. K. G. Dibble has been appointed secretary of the SANGERS GROUP. The post was formerly held by the group's finance director, Mr. J. K. E. Peffers, who continues to hold that position.

Mr. W. R. Marion, general manager for the British Phosphate Commissioners and the Christmas Island Phosphate Commission, will retire on November 17 and will be succeeded by Mr. A. E. Gaze.

Mr. R. B. Lewis has retired as a director of GOLD MINES OF KALGOORIE (AUST.).

Mr. C. A. Pepper, general

manager of POWDER COUPLINGS (Fabrication Division) has been appointed to the Board of that company.

After 45 years with the GENERAL ACCIDENT FIRE AND LIFE ASSURANCE CORPORATION in the U.S., Mr. John S. Kaufman, 51, as general attorney and chief executive officer, has been succeeded by Mr. James C. Corcoran and Mr. Charles L. Niles, director, City of Birmingham Polytechnic, have been appointed to the Educational Advisory Council of the INDEPENDENT BROADCASTING AUTHORITY. They replace Mrs. A. Corbett, Mr. R. MacLean and Mr. A. R. D. Wright who have retired.

Lord Lloyd of Kilgerran has accepted the chairmanship of TITAN INDUSTRIES on the reorganisation of the multi divisional group. He will become deputy general attorney and chief administrative director of both companies since 1968.

Mr. John B. Bennett has been elected executive vice-chairman and managing director of MILTON BRADLEY INTERNATIONAL INC. Mr. Arnold M. Wolf, Jr. has been elected vice-president in charge of International Services. The parent concern is Milton Bradley Company, of the U.S.

The CLOTHING AND ALLIED PRODUCTS INDUSTRY TRAINING BOARD has been reconstituted for a further three years and Mr. W. C. Beatty has become chairman to succeed Mr. N. Shulboard. New members of the Board are Mr. R. Bruton, Mr. H. Willmott and Mr. H. Yates.

Mr. Malcolm Lowe, deputy chief executive of IPC Business Press, has been appointed to the Board of IPC LTD. Mr. W. J. Chandler has resigned as a director of IPC Ltd. on taking up his duties as director of planning of Red International. Mr. Derek Rowe has been appointed managing director of LONGACRE COLOUR LABORATORIES, part

of IPC Business Press and continues as director and general manager of Comptechprint, who is retiring early for health reasons. Mr. Wells will continue as a consultant for Longacre and Mr. Stuart Elms becomes sales director of that company.

Professor R. A. Soother, Professor of Education, Sussex University, Mrs. Gwen Dunn, head teacher, Wharfside School, Ipswich; and Mr. S. W. Smethurst, director, City of Birmingham Polytechnic, have been appointed to the Educational Advisory Council of the INDEPENDENT BROADCASTING AUTHORITY.

They replace Mrs. A. Corbett, Mr. R. MacLean and Mr. A. R. D. Wright who have retired.

**BANK RETURN**

Wednesday Inc. (+) or  
Oct. 17, 1975  
for week

**BANKING DEPARTMENT**

**LIABILITIES** £  
Current Account 1,553,000  
Customer Deposits 11,055,404 + 18,354  
Special Deposits 977,580,000 + 8,270,000  
Bankers 344,780,674 + 69,440,428  
Reserves & Other Assets 381,047,641 + 16,022,533

1,628,864,019 + 21,431,630

**ASSETS**

Govt. Securities 1,268,031,633 + 16,436,000  
A/c. & Other Assets 246,864,641 - 1,085,106  
Premises, Equipment & Other Assets 25,288,000 + 14,924  
Stocks 36,489,775 + 6,431,448  
C/c/c 262,046 + 36,263

1,628,864,019 + 21,431,630

**ISSUE DEPARTMENT**

**LIABILITIES** £

Notes Lured 5,675,000,000

In Circulation 6,912,500,225 + 6,931,440

In Bank's Dept. 8,059,775 + 8,031,440

ASSETS 11,018,100

Govt. Debtors 2,521,143,765 + 23,867,600

Other Securities 602,841,130 + 23,867,600

5,675,000,000 -

**REPUBLIC ALGERIENNE DEMOCRATIQUE ET POPULAIRE**

Ministère de l'Industrie et de l'Energie

Société Nationale de Constructions

Métalliques

S.N. METAL

Call for Tenders

An international call for Tenders has been launched for the supply of equipment for the Relizane plant.

This equipment will comprise several lots:

Lot No. 1 A: oxygen-cutting

Lot No. 1 B: welding

Lot No. 3 A: bending and folding of plates

Lot No. 3 B: cutting and shearing of plates and sections

Lot No. 5: machines for cutting, flanging and fastening thin sheets

Lot No. 6: bending-machines for sections and tubes

Lot No. 7: machine-tools for general engineering

Lot No. 8: laboratory for destructive and non-destructive testing

Lot No. 9: stabilisation furnace

Lot No. 10: miscellaneous tools

Lot No. 11: handling

Technical documents may be consulted at and obtained from the following address:

S.N. METAL Direction Développement

Projets Relizane

R.P. 28

EL-HARRACH, Algeria

on payment of Dinars 50 per lot and Dinars 50 for the specification folder.

Tenders should be sent within 60 days of the publication of this announcement.

Tenders remain bound for 90 days after the date limit fixed for receiving tenders.

Tenders should be sent in a double sealed envelope the outside envelope with no distinctive sign or appearance marked:

Appel d'Offres International

Fournitures d'équipement

NE PAS OUVRIR

NOT TO BE OPENED

to the following address:

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## WALL STREET + OVERSEAS MARKETS

## + FOREIGN EXCHANGES

## Early rally cut back: index up 0.63 \$ weaker

BY OUR WALL STREET CORRESPONDENT

AN EARLY RALLY, triggered by a reduction in bank reserve requirements, was cut back sharply by late selling on Wall Street to-day.

The Dow Jones Industrial Average finished 0.63 up at 837.85, after holding an 8 point rise at 834.48 an hour, or so, before the close. The NYSE All Common Index gained 9 cents to 947.33, while rises led falls by 847-934.

Trading volume jumped 4.47m. shares to 18.9m.

The early gain followed the Federal Reserve lowering its bank reserve requirements, on Time Deposits, indicating a further loosening of monetary policy.

However, the Stock Market continued nervous over slowness of the economic recovery and the continuing financial peril of New York City.

Later in the session, New York State officials adjourned a meeting without coming up with funds necessary to prevent a debt default by the City on Friday.

Westinghouse lost \$1 to \$13 on 420,000 shares of adverse press comment.

American Aluminum Company of America shed \$1 to 136 on sharply lower per share profits for the third quarter.

Xerox gave way \$2 to \$59.50, also on reduced earnings.

Alexander's slipped \$1 to \$61 on the unidentified European parties deciding not to make an offer.

United Technologies lost \$1 to \$55 on Ots Elevator's rejection of a takeover bid. Ots dipped \$1 to \$37.

Eastman Kodak climbed \$1 to \$101 on its higher earnings. Bristol-Myers also added \$1 at \$85 on improved earnings.

Polaron shed \$1 to \$39 despite third quarter per share profits more than double that of the year ago period.

Motors were steady.

E.F. Hutton group moved ahead \$1 to \$18 on sharply higher third-quarter net. Colonial Stores advanced \$1 to \$21 on sharply higher 16 weeks October 4 net.

Westinghouse gained \$1 to \$17 on a jump in third-quarter net, while Allis-Chalmers put on \$1 at \$11 on higher third-quarter net.

The American SE Market Value eased 0.02 to \$3.35, although advances topped declines by 288 to 276.

**Canada Lower**

With the exception of Golds, which rose \$3 to \$34.09 on index, all other sectors lost ground in quiet trading on Canadian Stock Markets yesterday.

The Industrial Share Index dipped 1.42 to 174.81, Base Metals to 73.4, Western Oils 0.99 to 180.0, Utilities 0.18 to 121.43, Banks 0.12 to 362.26 and Papers 0.44 to 103.32.

Canadian Tire "A" fell \$2 to \$42.40, IAC Preferred "B" declined \$2 to \$17 and IVASCO gave way \$1 to \$20.

**OVERSEAS SHARE INFORMATION**

Starline gave 100 Aug. 31, 1972.

High Low Oct. 16 Oct. 15 Dec. 14 Oct. 15 Oct. 10

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# Good day in markets awaiting Chancellor's speech

## Index up 6 points at 348.4—Gold shares improve

## Account Dealing Dates

First Declarer: Last Account Dealings: Oct. 6 Oct. 16 Oct. 17 Oct. 28 Oct. 29 Oct. 30 Oct. 31 Nov. 1 Nov. 3 Nov. 13 Nov. 14 Nov. 25

"Now time" dealings may take place from 9 a.m. on business days earlier.

Stock markets were in an optimistic mood yesterday awaiting the Chancellor's expected review of the economy at the Lord Mayor's dinner.

British Funds were generally a little firmer but, as on Wednesday, most of the activity was concentrated at the short end of the market where the trend to lower U.S. interest rates helped sentiment. The Government Securities Index hardened 0.6 points to 53.68.

After a quiet start, leading equities encountered institutional demand and, with market conditions still very thin, prices responded quite sharply. The sudden improvement was reflected in the FT 30-share index, which extended a rise of 1.9 at 11 a.m. to one of 3.1 at the noon calculation. Thereafter, buying interest faded, but the trend continued higher and the index closed at the day's best with a rise of 6 points at 348.4.

Second-line equities continued to claim a fair measure of attention and a sprinkling of features emerged as the day progressed. General firms were mixed, with the 3-2 ratio of rises to falls in FT-quoted Industrials and an improvement of 1.7 per cent. to 152.22 in the FT-Actuaries All-Share index. Official markings of 5.88% compared with 7.20% on Wednesday and 4.94% a week ago.

## Short Gilt feature

The sharp fall in U.S. Treasury security bill rates and its implication of an easier Federal Reserve monetary policy gave extra momentum to short-dated British

Funds yesterday. A lively two-way trade had its brief lulls, the principal one following revised rumours of a pending increase in clearing bank deposits, again unfounded. Demand was often concentrated on the old "tap," Treasury 91 per cent., 1980, which rose 12 more to 90.2, and Treasury 114 per cent., 1979, up 12 to 89.5.

The Government broker raised his price for supplies of the special "tap," Treasury 9 per cent., 1978, "B," to 93%. The list for the £500m. of Treasury 114 per cent., 1981, issued at 96, closed yesterday and dealing will begin to-day. Mediums and longs improved slightly in a small business being sustained by the Government broker's withdrawal from selling supplies of the long "tap," Treasury 122 per cent., 1992, at 89.5, the market quotation improved to 89.5.

Insurances closed firmer throughout. Lloyd's brokers were

10 and Union added 7 to 317p. was needed to push Breweries best with a rise of 4 to 162p. The big four Banks enjoyed a similar amount to 108p following the contraction in profits.

Buildings had another good day. Associated Cement rose 5 to 122p, while Rugby Portland (interim due next Monday) put up 4 to 32p and Tarmac "B" added 6 more to 172p. Further consideration of the agreed merger terms helped Magnet Joinery put on 6 to 175p and Southern-Etans 4 to 170p, both at 116% highs. London Brick hardened 3 to 60p, after 51p; the interim results due next Thursday. Press comment on the half-year results helped Hedges-Stuart harden 3 more to 48p, while Richards and Wallington improved a similar amount to 89p following an investment recommendation.

Good buying took ICI up to 296p, before a rise of 24p, to 311p on the day. Higgs and Welsh were favoured at 245p, up 5 and, improvements of 4 and 5 respectively were seen in Lankau, 95p, and Fisons, 37p.

Scottish Television "A" were marked up 8 shade to 165p on the higher first-half profits. Had its listings restored and the Common stock closed at 161p, against a pre-suspension level of 153p. Antofagasta Railway rose 14 points to 118 following the annual meeting, held yesterday in London. Yesterday, the SE conversion factor was 0.6333 (0.6348).

well favoured, with demand continuing in some cases "after-hours." Hogg Robinson closed higher at 171p and Sedgwick Forbes 8 better at 250p, while C. E. Heath rallied 6 to 250p. Composites were led higher by Phoenix, which added 10 to 222p, in front of its third-quarter figures. Commercial - Valuation - put on 4 to 230p; dealing was at 220p "new" nil-paid shares at 80p; then in half-paid form they moved between extremes of 306p and 294p, before closing at 300p. A small demand was all that

leading stores encountered a fair trade, although prices fluctuated within narrow limits before ending just a shade firmer. After Wednesday's late reaction of 3 on the interim results, British Home met revived buying, interest and closed 3 better at 245p. Marks and Spencer closed unaltered at 165p, having put on 4 a penny either way, in the half-year results due next Wednesday. Elsewhere, W. H. Smith "A" attracted demand and rose 12 to 338p, while Raybeck still held its generous "rights" offer terms, closed a penny firmer at 89p. Austin Reed

put on 4 to 240p; dealing was at 238p.

Hotels quietened considerably, but Stayneycards edged forward 2 to 24p, after 23p, following vague bid speculation.

## Style Shoes fall

Leading Stores encountered a

selective following, particularly

KWV Share which, on hopes of

good preliminary results later this

year, rose 4 to 240p. E. G. Smith responded more sharply to the

chairman's optimistic view of

prospects, rising 9 to 117p. The

leaders also fared better, and Tate and Lyle gained 5 to 225p, Cavendish 3 to 145p and Spiller improved 2 to 44p. In

a small market, Fox's Biscuits

were raised 6 to 82p.

Hotels quietened considerably,

but Stayneycards edged forward

2 to 24p, after 23p, following

vague bid speculation.

## Martin-Black advance

Miscellaneous industrial leaders

shook off Wednesday's dullness to

close modestly better. Glaxo,

however, where the recent dis-

appointing results continued to

weigh heavily, declined 5 more to

235p. Metal Box improved 7 to

235p, and Collier 5 to 230p, while

Bechuan, 312p, and Bowater, 170p,

after 173p, ended 3 firmer again.

Results international, with the

exception of next Friday, regressed

3 to 237p. Second-line

issues attracted increased buying

interest, with a particularly good

BP rebound

Leading Oils recovered sharply

and more than British

Petroleum which, aided by

revised U.S. demand, jumped 17

to 369p, after a fresh high for the

year of 353p. Shell reached 6

345p, while Ultramar picked up

to 345p, while Ultramar picked up

to







## Wilson insists again on seat at energy talks

BY MALCOLM RUTHERFORD

MR. HAROLD WILSON is understood to have repeated the British claim to a separate seat at the consumer-producer energy dialogue in a personal letter to Chancellor Schmidt of West Germany, but is thought to have been conciliatory in other areas. The dialogue is scheduled to begin in Paris on December 16.

It was partly the British claim to its own representation at the dialogue which led Herr Schmidt to set down his own thoughts on the current state of the European Community in letters to fellow heads of Government at the end of last week. Other factors, however, included West German anger at rising Community expenditure, especially on the common agricultural policy, and it is in this area that Mr. Wilson is likely to have been replied sympathetically.

On the dialogue the British position remains that as a future major oil producer Britain's interests are fundamentally different from the rest of the Community and is therefore entitled to a seat in its own right. Although most observers continue to think that the Government will back down in the end, there has been no sign of any yielding in official statements, and the position may actually have hardened.

Theoretically, the issue does not need to be resolved until December 15—the eve of the opening of the dialogue. By then there will have been plenty of opportunity for high level exchanges, including two summit meetings—the six power economic summit in France next month and the Common

Market summit in Rome at the beginning of December.

Community Foreign Ministers will also discuss the subject when they meet quietly at Lucca in Italy this weekend.

On agriculture—Mr. Wilson appears to have emphasised that the time has come for a thorough-going attempt at controlling costs. This could be started at the meeting of Community Farm Ministers at the end of this month which is due to resume the stock-taking of the common agricultural policy.

This point was already made strongly in a Parliamentary answer by Mr. Joel Barnett, Chief Secretary to the Treasury, on Wednesday.

**Tory motion**

Richard Evans writes from Strasbourg: A motion drafted by Mr. Peter Kirk, leader of the Conservative group in the European Parliament criticises the British Government's demand for a separate seat at the energy talks. It was accepted by the Parliament.

The fragile unity of the Socialist group was badly split during an angry debate on the matter. To the dismay of their West German and Dutch colleagues, five Labour MPs abstained on a Socialist resolution calling for the rapid establishment of a common Community energy policy.

It is potentially a most damaging division for the Socialist group, now the largest in the Strasbourg Parliament, which has previously been extremely cohesive under West German leadership.

The split, which came at the end of a brief but acrimonious emergency debate on the attitude of the British Government toward North Sea oil reserves, was a fundamental one between the Social Democrats and the British Labour pro-marketeteers who urged a united energy policy and Labour anti-Marketeteers who argued forcefully in favour of a separate nationalistic energy policy for the U.K.

In the end the Socialist resolution was rejected and Mr. Kirk's compromise was accepted. It criticised the attitude of the British Government by implication, but it did not name Mr. Callaghan, the Foreign and Commonwealth Secretary. It argued that a separate representation could present a threat to a future Community energy policy.

**These problems would have to be worked out with patience and understanding, he argued, and in his view the Parliament did itself grave damage by indulging in personal abuse.**

The attack on the British Government's attitude was particularly regrettable because it might still be possible to reach an agreement among the Nine before the December talks. He was not necessarily predicting this but representation still had to be argued out.

Mr. Tom Norman, for the Conservatives, although not attacking the British Government, it was essential to achieve the passions displayed by the British pro and anti-Marketeteers.

The five MPs who declined to support the Socialist group resolution were Mrs. Gwyneth Dunwoody (Crewe), Guy Barnett (Greenwich), John Prescott (Greenwich), and Guy Barnett (Greenwich).

Energy dialogue discord. Page 6

## IMF split on gold sale dilemma

By Paul Lewis, U.S. Editor

WASHINGTON, Oct. 16.

THE IMF Executive Board is now deeply split over the difficult problem of how to sell the one-sixth of its gold stock which Ministers agreed in September should be used to raise additional aid for the developing world.

All member countries accept that under existing rules the fund may only sell its gold to members at the official price of \$42.2 an ounce, or less than one-third of the actual free-market price at the moment.

But there is disagreement over the best way of ensuring the IMF receives something closer to the free-market price during the year or so likely to elapse before the rates can be changed to permit it to sell freely on the market as members have agreed in principle that it should be allowed to do.

**Patience urged**

The British Labour group and former Foreign Secretary, set out the difficulties facing the Government as Britain moved from being an oil consumer to an oil producer.

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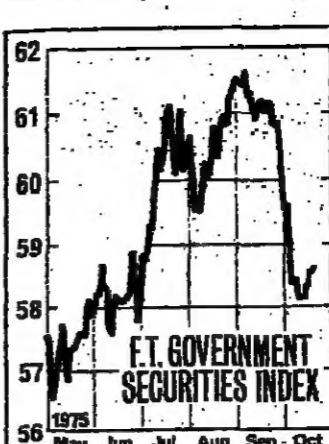
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Energy dialogue discord. Page 6

## THE LEX COLUMN

# How the Agents got crowned

Index rose 6.0 to 348.4



1975

May Jun Jul Aug Sep Oct

to EHT itself. Slater was controlling an effective 20 per cent, is too small these days to be a predator on its own after this deal EHT may cash of nearly £20m, and not selling on that much premium to the investors.

### Sears Holdings

Sears Holdings' interim result provides little guide to the full-year outcome. The month results are certainly up to expectations with tax rises of nearly 12 per cent to £16.8m, excluding a surplus on loan stock options. The retailing is all achieved sizeable gains, while William Hill had doubled its profits by comparison with a year ago of 1974-75, and G.

But the pattern could be different in the second half trading in both footwear department stores, overfifths of pre-interest profits described as "quiet" at 1.5 per cent. And although earnings should be well into the second half of recent signs of a pick-up in machinery orders have an effect until next year.

Overall, the rate of growth is lower in the current year than in 1974-75, and p/e of around 16 is outlandish, however, given the potential in growth, which made nearly 1972-73.

See also Page 2

at English and Continental. Much more significant for the stock market, however, is a further glimpse of the disasters in Australia. The Agents have written off all their equity investments in three Australian companies in which Capital and Counties also had interests, and reported a possible liability to EHT up to £36m, extra to complete developments, making a total commitment of £93m. This would mean further heavy write-offs.

**Anglo-Thai**

Inchcape has increased the price in its offer for Anglo-Thai by 8 per cent, underwritten the package, and secured the irrevocable agreement of Estates House Investment Trust which controls just over half the votes. So that, more or less, is that Anglo-Thai feels that it has had the rug pulled from under its feet. But any third party has had plenty of time to show his hand, and the cash alternative—worth 131p per share against 102p in the market before the battle started—

Underwriting is now 100 per cent.

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### Norsk Hydro

Unchanged last year, Hydro's profits are down 10 per cent in 1975-76, initial contribution from Norsk Hydro's oil and gas operations over Nkr100m, and operating level.

The operating total was Nkr1.5bn, the message is that the traditional earnings, oil utilisers, are now sliding.

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## Talks over jobs risk at Swan Hunter

### Associated British Foods cuts bread by 1/2d.

BY DONALD MACLEAN

ASSOCIATED BRITISH FOODS' latest move to cut the price of its standard 28 oz bread loaf by 1p to 16p from Monday.

However, a warning that cuts in the price of bread were likely to be short-lived was given yesterday by Mrs. Shirley Williams, Prices Secretary, in view of "certain cost increases" in the pipeline which may necessitate a price increase in the winter.

Bread companies have been informed that, under the Price Code, they are free to make similar reductions to that of Associated British Foods.

Steps are being taken to amend the Bread Prices Order to ensure that price cuts are fully passed on to the consumer.

The price cut by Associated

British—which the company expects others to follow—is made in conjunction with a packaging switch from waxed paper to plastic bagging to meet "initials of competitors."

While accepting that "impending heavy cost increases," including higher wages for salesmen, drivers and bakery operators, would impose pressure

on the industry by the end of the year, ABF said yesterday that it would "hold the new price for as long as it can."

Mr. Garry H. Weston, the chairman of ABF, said that the price cut was due to the improved efficiency of the company's bakery division, Allied Bakeries, which includes Sunblest bread in its products.

Mr. Weston accompanied the announcement of the price cut with an attack on regulations which prevent making a reduction without Government approval.

Under the provisions of the Bread Subsidy Scheme, variations in selling prices require prior approval of the Prices Secretary.

The rule, Mr. Weston said, was "ridiculous and tiresome" evidence of how completely the industry is barred from competing on price to the benefit of the public.

"Instead, the industry could only rely on trying to gain or maintain trade through elaborate and expensive marketing initiatives, which are of no price benefit to the public, and which no one would care to start, given

price flexibility in the industry."

This, he added, was at a time "when the major concern of all of us should be to hold down costs and prices."

During recent discussions, ABF had been "absolutely dumbfounded" to be told by the Government that it would not allow bread wrapped in waxed paper to be sold more cheaply than bread in plastic bags, even though the cost of producing it was much less for most bakers.

Among the reasons for the price reduction by ABF, it was said last night, was the necessity to comply with the provisions of the Price Code. The company's profits had been running on a course threatening to breach its profit reference levels.

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## Shell and Esso discuss plan for ethylene venture

BY RAY DAFTER

SHELL and Esso are in serious stage, however, whether a pipeline would be included in the venture. Other possibilities include the export by tankers of ethylene or its derivatives to continental chemical works, or the development of downstream processes on the Scottish site.

The Shell/Essco exploration group expects that by 1979-80 the Brent Field could be producing at least 1,500 tonnes a day of ethane, a natural gas liquid which is an ideal feedstock for an ethylene plant.

The group has not yet said whether the ethane would be used as a chemical raw material or as a fuel. Indeed, it is quite possible that the ethane could go to both in a linked venture. This idea is being evaluated by at

least one international chemical company, quite apart from Shell and Esso.

Neither Shell nor Esso is commenting on possibilities of a joint ethylene scheme; at this stage of discussions, an announcement would be premature anyway. But Mr. Gerard Fairlough, managing director of Shell Chemicals U.K., told staff last month that in spite of the current recession there were prospects of a major investment decision being taken next year.

If the plant is to come on stream around 1980, to take advantage of the Brent production of ethane, a firm decision would have to be taken by the prospective partners next year.

## Weather

U.K. TO-DAY  
DRY in most places. Showers in E. England and N. Scotland.

London, East Anglia, E. S.E., N.E. England

Bright after fog and frost.

Showers, near coasts. Wind E.

Light. Max 12C (52F).

Cent. S., S.W., N.W., Cent. N.

England, E., W., Midlands,

Channel Is., S., N. Wales, Lakes,

Is. of Man, S.W. Scotland,

N. Ireland

Fog.

Light. Max 10C (50F).

Outlook: Mostly dry,

occasional rain in S.W.

Lightning: up.

London 18.35

Manchester 18.41

Glasgow 18.44

Belfast 18.54

Holiday Resorts

Yester

Mid-day

Max

Mid-day

Max

Mid-day

Max

Mid-day